

## Subordinate Notes.

On any Distribution Date on or after the related Stepdown Date and so long as no Trigger Event is in effect, instead of allocating all amounts distributable as principal on the Notes to the related Senior Notes for the Loan Group or Loan Groups until those Senior Notes are paid in full, a portion of those amounts distributable as principal will be allocated to the related Subordinate Notes. The amount allocated to each class of Notes on or after the related Stepdown Date and so long as no Trigger Event is in effect will be based on the targeted level of overcollateralization and subordination for each class of Notes. After the related Stepdown Date, if a Trigger Event is in effect, the priority of principal payments will revert to the payment priority prior to the related Stepdown Date. The amount to be distributed as principal on each Distribution Date are described in more detail under "-- Glossary of Terms -- Definitions related to Principal Calculations and Distributions", and the order in which these amounts are distributed are described under "-- Distributions of Principal Distribution Amount for Loan Group [1]" and "-- Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]" in this prospectus supplement.]

[Distributions of Principal Distribution Amount for Loan Group [1]. On each Distribution Date, the Principal Distribution Amount for the Distribution Date for Loan Group [1] is required to be distributed as follows until the Principal Distribution Amount has been fully distributed (with the Principal Remittance Amount being applied first and the Extra Principal Distribution Amount being applied thereafter):

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(1) For each Distribution Date prior to the Fixed Rate Stepdown Date or on which a Fixed Rate Trigger Event is in effect, from the Principal Distribution Amount for Loan Group [1], sequentially:

(A) to the [Class AF] Notes and to the [Class AF-5B] Insurer, in the order, amounts and priorities set forth in clause (3) (A) below,

(B) sequentially, to the [Class MF-1], [Class MF-2], [Class MF-3], [Class MF-4], [Class MF-5], [Class MF-6], [Class MF-7], [Class MF-8] and [Class BF] Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero, and

(C) any remainder as part of the Fixed Rate Loan Group Excess Cashflow to be allocated as described under "--Overcollateralization Provisions" below.

(2) For each Distribution Date on or after the Fixed Rate Stepdown Date and so long as a Fixed Rate Trigger Event is not in effect, from the Principal Distribution Amount for Loan Group [1], sequentially:

(A) in an amount up to the [Class AF] Principal Distribution Amount, to the [Class AF] Notes in the order and priorities set forth in clause (3) (B) below, until the Note Principal Balances thereof are reduced to zero,

(B) to the [Class AF-5B] Insurer, any remaining [Class AF-5B] Premium and any remaining [Class AF-5B] Reimbursement Amount, in each case that has not been paid from Interest Funds

for Loan Group [1] for the Distribution Date,

(C) sequentially, to the [Class MF-1], [Class MF-2], [Class MF-3], [Class MF-4], [Class MF-5], [Class MF-6], [Class MF-7], [Class MF-8] and [Class BF] Notes, in that order, the Fixed Rate Subordinate Class Principal Distribution Amount for that class, in each case until the Note Principal Balance thereof is reduced to zero, and

(D) any remainder as part of the Fixed Rate Loan Group Excess Cashflow to be allocated as described under "--Overcollateralization Provisions" below.

(3) On each Distribution Date on which any principal amounts are to be distributed to the [Class AF] Notes and the [Class AF-5B] Insurer pursuant to clause (1)(A) above or to the [Class AF] Notes pursuant to clause (2)(A) above, the amounts will be distributed to the [Class AF] Notes and, if applicable, the [Class AF-5B] Insurer, in the following order of priority:

(A) For each Distribution Date prior to the Fixed Rate Stepdown Date or on which a Fixed Rate Trigger Event is in effect,

(i) the NAS Principal Distribution Amount to the [Class AF-6] Notes, until the Note Principal Balance thereof is reduced to zero,

(ii) concurrently, to the [Class AF-1A] and [Class AF-1B] Notes, pro rata based on their respective Note Principal Balances, until their respective Note Principal Balances are reduced to zero,

(iii) sequentially, to the [Class AF-2], [Class AF-3] and [Class AF-4] Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero,

(iv) concurrently, to (x) the [Class AF-5A] Notes and (y) the [Class AF-5B] Notes and the [Class AF-5B] Insurer, pro rata (based on, with respect to clause (x), the Note Principal Balance of the [Class AF-5A] Notes, and with respect to clause (y), the Note Principal Balance of the [Class AF-5B] Notes):

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(a) to the [Class AF-5A] Notes, until the Note Principal Balance thereof is reduced to zero, and

(b) sequentially:

(I) to the [Class AF-5B] Insurer, any remaining [Class AF-5B] Premium that has not been paid from Interest Funds for Loan Group [1] for the Distribution Date, and

(II) to the [Class AF-5B] Notes, until the Note Principal Balance thereof is reduced to zero,

(v) to the [Class AF-6] Notes without regard to the NAS Principal Distribution Amount, until the Note Principal Balance thereof is reduced to zero, and

(vi) to the [Class AF-5B] Insurer, any remaining [Class AF-5B] Reimbursement Amount that has not been paid from Interest Funds for Loan Group [1] for the Distribution Date.

(B) For each Distribution Date on or after the Fixed Rate Stepdown Date and so long as a Fixed Rate Trigger Event is not in effect,

(i) the NAS Principal Distribution Amount to the [Class AF-6] Notes, until the Note Principal Balance thereof is reduced to zero,

(ii) concurrently, to the [Class AF-1A] and [Class AF-1B] Notes, pro rata based on their respective Note Principal Balances, until their respective Note Principal Balances are reduced to zero,

(iii) sequentially, to the [Class AF-2], [Class AF-3] and [Class AF-4] Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero,

(iv) concurrently, to the [Class AF-5A] Notes and the [Class AF-5B] Notes, pro rata, based on the Note Principal Balances thereof, until the Note Principal Balances thereof are reduced to zero, and

(v) to the [Class AF-6] Notes without regard to the NAS Principal Distribution Amount, until the Note Principal Balance thereof is reduced to zero.

Notwithstanding the foregoing order of priority, on any Distribution Date on which the aggregate Note Principal Balance of the [Class AF] Notes is greater than the sum of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group [1] and any amount on deposit in the Pre-Funding Account in respect of Loan Group [1], any principal amounts to be distributed to the [Class AF] Notes and the [Class AF-5B] Insurer will be distributed first, concurrently to the [Class AF] Notes, pro rata, based on the Note Principal Balances thereof, until the Note Principal Balances thereof are reduced to zero, and second, to the [Class AF-5B] Insurer, any remaining [Class AF-5B] Premium and any remaining [Class AF-5B] Reimbursement Amount.]

[Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]. On each Distribution Date, the Principal Distribution Amount for the Distribution Date for Loan Group [2] and Loan Group [3] is required to be distributed as follows until the Principal Distribution Amount has been fully distributed (with the Principal Remittance Amount being applied first and the Extra Principal Distribution Amount being applied thereafter):

(1) For each Distribution Date prior to the Adjustable Rate Stepdown Date or on which an Adjustable Rate Trigger Event is in effect, sequentially:

(A) concurrently:

(i) from the Principal Distribution Amount for Loan Group [2], sequentially:

(a) to each class of [Class 2-AV] Notes, in the order and priorities set forth in clause (3) below, until the Note Principal Balances thereof are reduced to zero, and

(b) to each class of [Class 3-AV] Notes (after the distribution of the Principal Distribution Amount from Loan Group [3] as provided in clause (1)(A)(ii)(a) below), in the order and priorities set forth in clause (4) below, until the Note Principal Balances thereof are reduced to zero,

(ii) from the Principal Distribution Amount for Loan Group [3], sequentially:

(a) to each class of [Class 3-AV] Notes, in the order and priorities set forth in clause (4) below, until the Note Principal Balances thereof are reduced to zero, and

(b) to each class of [Class 2-AV] Notes (after the distribution of the Principal Distribution Amount from Loan Group [2] as provided in clause (1)(A)(i)(a) above), in the order and priorities set forth in clause (3) below, until the Note Principal Balances thereof are reduced to zero,

(B) from the remaining Principal Distribution Amounts for Loan Group [2] and Loan Group [3], sequentially:

(i) sequentially, to the [Class MV-1], [Class MV-2], [Class MV-3], [Class MV-4], [Class MV-5], [Class MV-6], [Class MV-7], [Class MV-8] and [Class BV] Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero, and

(ii) any remainder as part of the Adjustable Rate Loan Group Excess Cashflow to be allocated as described under "--Overcollateralization Provisions" below.

(2) For each Distribution Date on or after the Adjustable Rate Stepdown Date and so long as an Adjustable Rate Trigger Event is not in effect, from the Principal Distribution Amounts for Loan Group [2] and Loan Group [3], sequentially:

(A) in an amount up to the [Class AV] Principal Distribution Target Amount, pro rata based on the related [Class AV] Principal Distribution Allocation Amount for the [Class 2-AV] Notes and the [Class 3-AV] Notes, respectively, concurrently, to (I) each class of [Class 2-AV] Notes, in an amount up to the [Class 2-AV] Principal Distribution Amount in the order and priorities set forth in clause (3) below, until the Note Principal Balances thereof are reduced to zero, and (II) each class of [Class 3-AV] Notes, in an amount up to the [Class 3-AV] Principal Distribution Amount in the order and priorities set forth in clause (4) below,

until the Note Principal Balances thereof are reduced to zero; provided, however, that if the aggregate Note Principal Balance of the [Class 2-AV] Notes or [Class 3-AV] Notes is reduced to zero then any remaining unpaid [Class AV] Principal Distribution Target Amount will be distributed to the remaining [Class AV] Notes in the order and priorities set forth in clause (3) or clause (4) below, as the case may be, until the Note Principal Balances thereof are reduced to zero,

(B) sequentially, to the [Class MV-1], [Class MV-2], [Class MV-3], [Class MV-4], [Class MV-5], [Class MV-6], [Class MV-7], [Class MV-8] and [Class BV] Notes, in that order, the Adjustable Rate Subordinate Class Principal Distribution Amount for that class, in each case until the Note Principal Balance thereof is reduced to zero, and

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(C) any remainder as part of the Adjustable Rate Loan Group Excess Cashflow to be allocated as described under "--Overcollateralization Provisions" below.

(3) On each Distribution Date on which any principal amounts are to be distributed to the [Class 2-AV] Notes, the amounts will be distributed concurrently, to the [Class 2-AV-1] and [Class 2-AV-2] Notes, pro rata, based on the Note Principal Balances thereof, in each case until the Note Principal Balance thereof is reduced to zero; provided, however, if a Group [2] Sequential Trigger Event is in effect, then principal will be distributed to the [Class 2-AV-1] and [Class 2-AV-2] Notes, sequentially, in that order, in each case until the Note Principal Balance thereof is reduced to zero.

(4) On each Distribution Date on which any principal amounts are to be distributed to the [Class 3-AV] Notes, the amounts will be distributed sequentially, to the [Class 3-AV-1], [Class 3-AV-2], [Class 3-AV-3] and [Class 3-AV-4] Notes, in that order, in each case until the Note Principal Balance thereof is reduced to zero; provided, however, that on any Distribution Date on which (x) the aggregate Note Principal Balance of the [Class AV] Notes is greater than the sum of the aggregate Stated Principal Balance of the Adjustable Rate Mortgage Loans and any amount on deposit in the Pre-Funding Account in respect of Loan Group [2] and Loan Group [3] and (y) the aggregate Note Principal Balance of the [Class 3-AV] Notes is greater than the sum of the aggregate Stated Principal Balance of the Group [3] Mortgage Loans and any amount on deposit in the Pre-Funding Account in respect of Loan Group [3], any principal amounts to be distributed to the [Class 3-AV] Notes will be distributed pro rata, based on the Note Principal Balances thereof, in each case until the Note Principal Balance thereof is reduced to zero.

Notwithstanding the foregoing priority of distributions, distributions made to the [Class 2-AV] and [Class 3-AV] Notes pursuant to clauses (1)(A)(i), (1)(A)(ii) and (2)(A) under "--Distributions--Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]" above, shall be deemed to have been made from collections in respect of Loan Group [2] and Loan Group [3], respectively.]

[Class AF-5B Policy. On any Distribution Date, the Indenture Trustee will distribute to the holders of the [Class AF-5B] Notes, any Insured Payments received from the [Class AF-5B] Insurer with respect to the Distribution Date.]

Owner Trust Certificate. The Owner Trust Certificate will remain outstanding for so long as the issuing entity will exist and represents all of the equity interests of the issuing entity. The holder of the Owner Trust Certificate, as provided in the Sale and Servicing Agreement, will be entitled to receive any available funds remaining after payment of interest and principal on the Senior Notes and on the Subordinate Notes and payments to the [Class AF-5B] Insurer (each as described above). It is not anticipated that there will be any significant amounts remaining for distribution to the holder of the Owner Trust Certificate.

[Overcollateralization Provisions]

[On the Closing Date, it is expected that:

- o the sum of the aggregate Stated Principal Balance of the Group [1] Mortgage Loans and the original Pre-Funded Amount in respect of Loan Group [1] will exceed the initial aggregate Note Principal Balance of the [Class AF] Notes and the [Fixed Rate Subordinate Notes] by approximately [ ]%; and

- o the sum of the aggregate Stated Principal Balance of the Group [2] and Group [3] Mortgage Loans and the original Pre-Funded Amount in respect of Loan Group [2] and Loan Group [3] will exceed the initial aggregate Note Principal Balance of the [Class AV] Notes and the [Adjustable Rate Subordinate Notes] by approximately [ ]%.

However, these amounts are less than the required initial levels of overcollateralization required by the Sale and Servicing Agreement. The weighted average Adjusted Net Mortgage Rate for each group or groups of

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Mortgage Loans is generally expected to be higher than the weighted average of the Interest Rates on the related classes of Notes. As a result, interest collections on the Mortgage Loans are expected to be generated in excess of the amount of interest payable to the holders of the related Notes and the related fees and expenses payable by the issuing entity. Any interest payments received in respect of the Mortgage Loans in a Loan Group or Loan Groups in excess of the amount that is needed to pay interest on the related Notes and the issuing entity's expenses related to that Loan Group (including in the case of Loan Group [1] and the [Class AF-5B] Notes, the [Class AF-5B] Premium due to the [Class AF-5B] Insurer) will be used to reduce the total Note Principal Balance of the related Notes, until the required level of overcollateralization has been achieved. The excess cashflow, if any, will be applied on each Distribution Date as a payment of principal on the related class or classes of Offered Notes then entitled to receive distributions in respect of principal, but only to the limited extent hereafter described. Thereafter, any remaining excess cashflow will be allocated to pay Net Rate Carryover and Unpaid Realized Loss Amounts in the amount and the priority described below.

[Fixed Rate Loan Group Excess Cashflow.

The "Fixed Rate Loan Group Excess Cashflow" with respect to any Distribution Date is the sum of the amounts remaining as set forth in (i) clause (2)(c) in "Distributions -- Distributions of Interest -- Distributions of Interest Funds for Loan Group [1]" for the Distribution Date and (ii) clause (1)(C) or (2)(D), as applicable, in "-- Distributions -- Distributions of Principal Distribution Amount for Loan Group [1]" for the Distribution Date.

With respect to any Distribution Date, any Fixed Rate Loan Group Excess Cashflow and, in the case of Unpaid Realized Loss Amounts only, any amounts in the Credit Comeback Excess Account available for the Distribution Date ("Credit Comeback Excess Cashflow"), will be paid to the classes of Notes in the following order of priority, in each case first to the extent of the remaining Credit Comeback Excess Cashflow, if applicable and second to the extent of the remaining Fixed Rate Loan Group Excess Cashflow:

1. to the holders of the class or classes of [Class AF] Notes and [Fixed Rate Subordinate Notes] then entitled to receive distributions in respect of principal, in an amount equal to the Extra Principal Distribution Amount for Loan Group [1], payable to those holders as part of the Principal Distribution Amount as described under "--Distributions--Distributions of Principal Distribution Amount for Loan Group [1]" above; provided, however, that Credit Comeback Excess Cashflow (if any) will only be distributed pursuant to this clause, if the Fixed Rate Overcollateralization Target Amount has at any previous time been met;
2. sequentially, to the holders of the [Class MF-1], [Class MF-2], [Class MF-3], [Class MF-4], [Class MF-5], [Class MF-6], [Class MF-7], [Class MF-8] and [Class BF] Notes, in that order, in each case, first in an amount equal to any Interest Carry Forward Amount for that class, and second, in an amount equal to the Unpaid Realized Loss Amount for that class;
3. to each class of [Class AF] Notes and [Fixed Rate Subordinate Notes] (in the case of the [Class AF]-1A Notes after application of amounts allocated to the issuing entity in respect of the [Class AF]-1A Corridor Contract to cover Net Rate Carryover), pro rata based on the Note Principal Balances thereof, to the extent needed to pay any unpaid Net Rate Carryover for each class of [Class AF] Notes and [Fixed Rate Subordinate Notes]; and then any Fixed Rate Loan Group Excess Cashflow remaining after the allocation to pay Net Rate Carryover based on the Note Principal Balances of those Notes will be distributed to each class of [Class AF] Notes and [Fixed Rate Subordinate Notes] with respect to which there remains any unpaid Net Rate Carryover, pro rata, based on the amount of the unpaid Net Rate Carryover;
4. if the Adjustable Rate Overcollateralization Target Amount has at any previous time been met, to the holders of the class or classes of [Class AV] Notes and [Adjustable Rate Subordinate Notes] then entitled to receive distributions in respect of principal, payable to those holders as part of the Principal Distribution Amount as described under "--Distributions--Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]" above, in an

amount equal to the Extra Principal Distribution Amount for Loan

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Group [2] and Loan Group [3] not covered by the Adjustable Rate Loan Group Excess Cashflow;

5. sequentially, to the holders of the [Class 2-AV-2], [Class MV-1], [Class MV-2], [Class MV-3], [Class MV-4], [Class MV-5], [Class MV-6], [Class MV-7], [Class MV-8] and [Class BV] Notes, in that order, in each case in an amount equal to the Unpaid Realized Loss Amount for that class remaining undistributed after application of the Adjustable Rate Loan Group Excess Cashflow;
6. to the Carryover Reserve Fund, in an amount equal to the Required Carryover Reserve Fund Deposit (after giving effect to other deposits and withdrawals therefrom on the Distribution Date without regard to any amounts allocated to the issuing entity in respect of any Corridor Contract not required to cover Net Rate Carryover on the related class(es) of Notes on the Distribution Date); and
7. to fund distributions to the holder of the Owner Trust Certificate.

[Adjustable Rate Loan Group Excess Cashflow.

The "Adjustable Rate Loan Group Excess Cashflow" with respect to any Distribution Date is the sum of the amounts remaining as set forth in (i) clause (3) (b) in "--Distributions -- Distributions of Interest -- Distributions of Interest Funds for Loan Group [2] and Loan Group [3]" and (ii) clause (1) (B) (ii) or (2) (C), as applicable, in "-- Distributions -- Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]."

With respect to any Distribution Date, any Adjustable Rate Loan Group Excess Cashflow will be paid to the classes of Notes in the following order of priority, in each case to the extent of the remaining Adjustable Rate Loan Group Excess Cashflow:

1. to the holders of the class or classes of [Class AV] Notes and [Adjustable Rate Subordinate Notes] then entitled to receive distributions in respect of principal, in an aggregate amount equal to the Extra Principal Distribution Amount for Loan Group [2] and Loan Group [3], payable to those holders as part of the related Principal Distribution Amounts as described under "--Distributions--Distributions of Principal Distribution Amount for Loan Group [2] and Loan Group [3]" above;
2. sequentially, to the holders of the [Class 2-AV-2], [Class MV-1], [Class MV-2], [Class MV-3], [Class MV-4], [Class MV-5], [Class MV-6], [Class MV-7], [Class MV-8] and [Class BV] Notes, in that order, in each case, first in an amount equal to any Unpaid Realized Loss Amount for that class, and

second, in an amount equal to the Interest Carry Forward Amount for that class;

3. to each class of [Class AV] Notes and [Adjustable Rate Subordinate Notes] (in each case after application of amounts allocated to the issuing entity in respect of the applicable Corridor Contract to cover Net Rate Carryover), pro rata based on the Note Principal Balances thereof, to the extent needed to pay any Net Rate Carryover for each class of [Class AV] Notes and [Adjustable Rate Subordinate Notes] remaining after application of amounts under the applicable Corridor Contract; provided that any Adjustable Rate Loan Group Excess Cashflow remaining after the allocation to pay Net Rate Carryover based on the Note Principal Balances of those Notes will be distributed to each class of [Class AV] Notes and [Adjustable Rate Subordinate Notes] with respect to which there remains any unpaid Net Rate Carryover (after the distribution based on Note Principal Balances), pro rata, based on the amount of the unpaid Net Rate Carryover;

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4. if the Fixed Rate Overcollateralization Target Amount has at any previous time been met, to the holders of the class or classes of [Class AF] Notes and [Fixed Rate Subordinate Notes] then entitled to receive distributions in respect of principal, payable to those holders as part of the Principal Distribution Amount as described under "--Distributions--Distributions of Principal Distribution Amount for Loan Group [1]" above, in an amount equal to the Extra Principal Distribution Amount for Loan Group [1] not covered by the Fixed Rate Loan Group Excess Cashflow or Credit Comeback Excess Cashflow;
5. sequentially, to the holders of the [Class MF-1], [Class MF-2], [Class MF-3], [Class MF-4], [Class MF-5], [Class MF-6], [Class MF-7], [Class MF-8] and [Class BF] Notes, in that order, in each case in an amount equal to the Unpaid Realized Loss Amount for that class remaining undistributed after application of the Fixed Rate Loan Group Excess Cashflow and Credit Comeback Excess Cashflow;
6. to the Carryover Reserve Fund, in an amount equal to the Required Carryover Reserve Fund Deposit (after giving effect to other deposits and withdrawals therefrom on the Distribution Date without regard to any amounts allocated to the issuing entity in respect of any Corridor Contract not required to cover Net Rate Carryover on the related class(es) of Notes on the Distribution Date);
7. in the event that a [Class 3-AV-1] Acceleration Event is in effect, to the holders of the [Class 3-AV-1] Notes, in an amount equal to the [Class 3-AV-1] Acceleration Amount; and
8. to fund distributions to the holder of the Owner Trust Certificate, in the amounts specified in the Sale and Servicing Agreement.]

[The Corridor Contracts]

[Countrywide Home Loans] has entered into the following four interest rate corridor transactions with [ ] (the "Corridor Contract Counterparty"), each as evidenced by a confirmation between [Countrywide Home Loans] and the Corridor Contract Counterparty (together the "Corridor Contracts" and each, a "Corridor Contract"):

- o the "[Class AF-1A] Corridor Contract,"
- o the "[Class 2-AV] Corridor Contract,"
- o the "[Class 3-AV] Corridor Contract," and
- o the "[Adjustable Rate Subordinate] Corridor Contract,"

[Pursuant to each Corridor Contract, the terms of an ISDA Master Agreement were incorporated into the confirmation of the Corridor Contract, as if the ISDA Master Agreement had been executed by [Countrywide Home Loans] and the Corridor Contract Counterparty on the date that each Corridor Contract was executed. Each Corridor Contract is subject to certain ISDA definitions. On the Closing Date, [Countrywide Home Loans] will assign its rights under each Corridor Contract to [ ], as corridor contract administrator (in this capacity, the "Corridor Contract Administrator"), and [Countrywide Home Loans], the Corridor Contract Administrator and the Indenture Trustee will enter into a corridor contract administration agreement (the "Corridor Contract Administration Agreement") pursuant to which the Corridor Contract Administrator will allocate any payments received under each Corridor Contract between the Indenture Trustee and [Countrywide Home Loans] as described below.]

[On or prior to the applicable Corridor Contract Termination Date, amounts (if any) received under each Corridor Contract by the Corridor Contract Administrator and allocated to the Indenture Trustee for the benefit of the issuing entity will be used to pay Net Rate Carryover on the related class or classes of Notes as described above]

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under "--Distributions-- Distributions of Funds from the Corridor Contracts." Amounts allocated to the Indenture Trustee in respect of the Corridor Contracts will not be available to pay Net Rate Carryover on any class of Notes other than the related class or classes of Notes. On any Distribution Date, after application of any amounts allocated to the Indenture Trustee in respect of the Corridor Contracts to pay Net Rate Carryover, any remaining amounts will be distributed as described above under "--Distributions--Distributions of Funds from the Corridor Contracts" and will not thereafter be available for payments of Net Rate Carryover for any class of Notes, unless the remaining amounts are allocated to the Indenture Trustee in connection with an early termination of the related Corridor Contract in which case the amounts will be held by the Indenture Trustee until the applicable Corridor Contract Termination Date for distribution as described above under "-- Distributions --Distributions of Funds from the Corridor Contracts."]

[With respect to each Corridor Contract and any Distribution Date on or

prior to the applicable Corridor Contract Termination Date, the amount payable by the Corridor Contract Counterparty under a Corridor Contract will equal the product of:

(i) the excess (if any) of (x) the lesser of (A) [One-Month LIBOR (as determined by the Corridor Contract Counterparty) and (B) the applicable Corridor Contract Ceiling Rate (if any) for the Distribution Date over (y) the applicable Corridor Contract Strike Rate for the Distribution Date,

(ii) the applicable Corridor Contract Notional Balance for the Distribution Date, and

(iii) the [actual number of days in the related Accrual Period], divided by 360.]

[Pursuant to the Corridor Contract Administration Agreement, on or prior to each Distribution Date, the Corridor Contract Administrator will allocate any payment received from the Corridor Contract Counterparty with respect to each Corridor Contract and the Distribution Date (other than any termination payment, which will be allocated as described below):

- o first, to the Indenture Trustee, up to the amount that would be payable under each Corridor Contract if clause (ii) of the preceding sentence were equal to the lesser of the Corridor Contract Notional Balance for the Distribution Date and the aggregate Note Principal Balance of the related class or classes of Notes immediately prior to the Distribution Date, referred to as a "Net Corridor Contract Payment," and
- o second, to Countrywide Home Loans, any remainder, referred to as an "Excess Corridor Contract Payment."]

Excess Corridor Contract Payments will not be available to cover Net Rate Carryover on the Notes.

The "Notional Balance," the "Strike Rate" and the "Ceiling Rate" for the [Class AF-1A] Corridor Contract for each Distribution Date are as described in the following table:

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| Month of<br>Distribution Date | Notional<br>Balance (\$) | Strike<br>Rate | Ceiling<br>Rate | Month of<br>Distribution Date |
| -----                         | -----                    | -----          | -----           | -----                         |

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The "Notional Balance," "Strike Rate" and "Ceiling Rate" for the [Class 2-AV] Corridor Contract for each Distribution Date are as described in the following table:

| <TABLE>           |              |        |         |                   |
|-------------------|--------------|--------|---------|-------------------|
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| Month of          | <C>          | <C>    | <C>     | <C>               |
| Distribution Date | Notional     | Strike | Ceiling | Month of          |
| -----             | Balance (\$) | Rate   | Rate    | Distribution Date |
| -----             | -----        | -----  | -----   | -----             |
| </TABLE>          |              |        |         |                   |

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The "Notional Balance," "Strike Rate" and "Ceiling Rate" for the [Class 3-AV] Corridor Contract for each Distribution Date are as described in the following table:

| <TABLE>           |              |        |         |                   |
|-------------------|--------------|--------|---------|-------------------|
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| <S>               |              |        |         |                   |
| Month of          | <C>          | <C>    | <C>     | <C>               |
| Distribution Date | Balance (\$) | Strike | Ceiling | Month of          |
| -----             | -----        | Rate   | Rate    | Distribution Date |
| -----             | -----        | -----  | -----   | -----             |
| </TABLE>          |              |        |         |                   |

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The "Notional Balance," "Strike Rate" and "Ceiling Rate" for the [Adjustable Rate Subordinate] Corridor Contract for each Distribution Date are

as described in the following table:

| <TABLE>           |              |        |         |                   |
|-------------------|--------------|--------|---------|-------------------|
| <CAPTION>         |              |        |         |                   |
| <S>               |              |        |         |                   |
| Month of          | <C>          | <C>    | <C>     | <C>               |
| Distribution Date | Notional     | Strike | Ceiling | Month of          |
|                   | Balance (\$) | Rate   | Rate    | Distribution Date |
| -----             | -----        | -----  | -----   | -----             |
| </TABLE>          |              |        |         |                   |

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Each Corridor Contract is scheduled to remain in effect until the Distribution Date set forth below:

| Corridor Contract               | Corridor Contract Termination Date |
|---------------------------------|------------------------------------|
| -----                           | -----                              |
| [Class AF-1A] Corridor Contract | [ ] 20[ ]                          |
| [Class 2-AV] Corridor Contract  | [ ] 20[ ]                          |
| [Class 3-AV] Corridor Contract  | [ ] 20[ ]                          |
| [Adjustable Rate Subordinate]   | [ ] 20[ ]                          |
| Corridor Contract               |                                    |

[Each Corridor Contract will be subject to early termination only in limited circumstances. These circumstances generally include certain insolvency or bankruptcy events in relation to the Corridor Contract Counterparty or the Corridor Contract Administrator, the failure by the Corridor Contract Counterparty (three business days after notice of the failure is received by the Corridor Contract Counterparty) to make a payment due under the Corridor Contract and the Corridor Contract becoming illegal or subject to certain kinds of taxation.]

[If any Corridor Contract is terminated, the Corridor Contract Counterparty may owe a termination payment, payable in a lump sum. Any termination payment will be allocated by the Corridor Contract Administrator between the Indenture Trustee and [Countrywide Home Loans], based on, with respect to the Indenture Trustee, a fraction, the numerator of which is the lesser of (x) the related Corridor Contract Notional Balance at the time of termination and (y) the aggregate Note Principal Balance of the related class or classes of Notes at the time of termination, and the denominator of which

is the related Corridor Contract Notional Balance at the time of termination, and with respect to Countrywide Home Loans, a fraction, the numerator of which is the excess, if any, of (x) the related Corridor Contract Notional Balance at the time of termination over (y) the aggregate Note Principal Balance of the related class or classes of Notes at the time of termination, and the denominator of which is the Corridor Contract Notional Balance at the time of termination. The portion of any termination payment that is allocated to the issuing entity will be held by the Indenture Trustee until the applicable Corridor Contract Termination Date to pay any Net Rate Carryover on the related class or classes of Notes. However, if a termination occurs, we cannot assure you that a termination payment will be owing to the Indenture Trustee. The Sale and Servicing Agreement does not provide for the substitution of a replacement corridor contract in the event of a termination of an existing Corridor Contract or in any other circumstance.]

The significance percentage for each Corridor Contract is [less than 10% and in the aggregate, the significance percentage of for all of the Corridor Contracts with the Corridor Contract Counterparty is less than 10%]. The "significance percentage" for each Corridor Contract is the percentage that the significance estimate of the Corridor Contract represents of the aggregate Class Principal Balances of the Notes related to the Corridor Contract. The "significance estimate" of each Corridor Contract is determined based on a reasonable good-faith estimate of the maximum probable exposure of the Corridor Contract, made in substantially the same manner as that used in Countrywide Home Loans' internal risk management process in respect of similar instruments.

[Insert Description of the Corridor Contract Counterparty - Detail to be based on Significance Percentage determination above]

The Notes do not represent an obligation of the Corridor Contract Counterparty or the Corridor Contract Administrator. The holders of the Notes are not parties to or beneficiaries under any Corridor Contract or the Corridor Contract Administration Agreement and will not have any right to proceed directly against the Corridor Contract Counterparty in respect of its obligations under any Corridor Contract or against the Corridor Contract Administrator in respect of its obligations under the Corridor Contract Administration Agreement.

Each Corridor Contract will be filed with the SEC as an Exhibit to a Current Report on Form 8-K after the Closing Date.

[Calculation of One-Month LIBOR

On each Interest Determination Date, the Indenture Trustee will determine the London interbank offered rate for [one-month] United States dollar deposits ("One-Month LIBOR") for the Accrual Period on the basis of the rate as it is quoted on the Bloomberg Terminal for that Interest Determination Date. If the rate is not quoted on the Bloomberg Terminal (or if the service is no longer offered, another service for displaying LIBOR or comparable

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rates as may be reasonably selected by the Indenture Trustee), One-Month LIBOR for the applicable Accrual Period will be the Reference Bank Rate as defined in this prospectus supplement. If these quotations cannot be obtained and the Reference Bank Rate is not available, One-Month LIBOR will be the One-Month

LIBOR applicable to the preceding Accrual Period.

The establishment of One-Month LIBOR on each Interest Determination Date by the Indenture Trustee and the Indenture Trustee's calculation of the rate of interest applicable to the [Adjustable Rate Notes] for the related Accrual Period will (in the absence of manifest error) be final and binding.]

[Carryover Reserve Fund

The Sale and Servicing Agreement establishes an account (the "Carryover Reserve Fund"), which is held in trust by the Indenture Trustee on behalf of the holders of the interest-bearing notes. On the Closing Date, [Countrywide Home Loans] will deposit \$[ ] in the Carryover Reserve Fund.

On each Distribution Date, the Indenture Trustee will deposit in the Carryover Reserve Fund amounts allocated to the issuing entity in respect of the Corridor Contracts. On each Distribution Date, the amounts allocated to the issuing entity in respect of each applicable Corridor Contract will be distributed to the related [Adjustable Rate Notes] to pay any Net Rate Carryover on the related [Adjustable Rate Notes] as described under "-- Distributions -- Distributions of Funds from the Corridor Contracts" above.

On each Distribution Date, to the extent that Fixed Rate Loan Group Excess Cashflow is available as described under "-- Overcollateralization Provisions -- Fixed Rate Loan Group Excess Cashflow" above or Adjustable Rate Loan Group Excess Cashflow is available as described under "-- Overcollateralization Provisions -- Adjustable Rate Loan Group Excess Cashflow" above, the Indenture Trustee will deposit in the Carryover Reserve Fund the amount needed to pay any Net Rate Carryover as described under "-- Overcollateralization Provisions" above.

On each Distribution Date, to the extent that Fixed Rate Loan Group Excess Cashflow is available as described under "-- Overcollateralization Provisions -- Fixed Rate Loan Group Excess Cashflow" above or Adjustable Rate Loan Group Excess Cashflow is available as described under "-- Overcollateralization Provisions -- Adjustable Rate Loan Group Excess Cashflow" above, the Indenture Trustee will deposit in the Carryover Reserve Fund an amount equal to the excess, if any, of (i) \$[ ] over (ii) the amount of funds on deposit in the Carryover Reserve Fund following all other deposits to, and withdrawals from, the Carryover Reserve Fund on the Distribution Date (the "Required Carryover Reserve Fund Deposit").]

[Credit Comeback Excess Account

The Sale and Servicing Agreement will require the Indenture Trustee to establish a reserve account (the "Credit Comeback Excess Account"), which is held in trust by the Indenture Trustee on behalf of the holders of the [Fixed Rate Notes].

On each Distribution Date, the Indenture Trustee will deposit in the Credit Comeback Excess Account, all Credit Comeback Excess Amounts received during the related Due Period. On each Distribution Date, all Credit Comeback Excess Amounts received during the related Due Period will be distributed to the [Fixed Rate Notes] to restore overcollateralization and to cover any Unpaid Realized Loss Amounts as described under "--Overcollateralization Provisions -- Fixed Rate Loan Group Excess Cashflow." Any Credit Comeback Excess Amounts remaining after the application of the Credit Comeback Excess Amounts as described under "--Overcollateralization Provisions -- Fixed Rate Loan Group Excess Cashflow" will be distributed to the holder of the Owner Trust Certificate and will not be available thereafter.]

## [Applied Realized Loss Amounts]

If on any Distribution Date, after giving effect to the distributions described above, the aggregate Note Principal Balance of the [Class AF] and [Fixed Rate Subordinate Notes] exceeds the sum of the aggregate Stated

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Principal Balance of the Mortgage Loans in Loan Group [1] and the amount on deposit in the Pre-Funding Account in respect of Loan Group [1], the amount of the excess will be applied to reduce the Note Principal Balances of the [Class BF], [Class MF-8], [Class MF-7], [Class MF-6], [Class MF-5], [Class MF-4], [Class MF-3], [Class MF-2] and [Class MF-1] Notes, in that order, in each case until the Note Principal Balance of the class has been reduced to zero.

If on any Distribution Date, after giving effect to the distributions described above, the aggregate Note Principal Balance of the [Class AV] Notes and [Adjustable Rate Subordinate Notes] exceeds the sum of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group [2] and Loan Group [3] and the amount on deposit in the Pre-Funding Account in respect of Loan Group [2] and Loan Group [3], the amount of the excess will be applied to reduce the Note Principal Balances of the [Class BV], [Class MV-8], [Class MV-7], [Class MV-6], [Class MV-5], [Class MV-4], [Class MV-3], [Class MV-2] and [Class MV-1] Notes, in that order, in each case until the Note Principal Balance of the class has been reduced to zero, after which, the Note Principal Balance of the [Class 2-AV-2] Notes will be reduced by the amount by which the aggregate Note Principal Balance of the [Class 2-AV] Notes exceeds the sum of the aggregate Stated Principal Balance of the Mortgage Loans in Group [2] and the amount on deposit in the Pre-Funding Account in respect of Loan Group [2], until the Note Principal Balance of the [Class 2-AV-2] Notes has been reduced to zero. A reduction described in this paragraph or the immediately preceding paragraph is referred to as an "Applied Realized Loss Amount." Applied Realized Loss Amounts will not be allocated to the Senior Notes (other than the [Class 2-AV-2] Notes).

Interest on any class of Notes, the Note Principal Balance of which has been reduced through the application of Applied Realized Loss Amounts as described above will accrue for the related class of Notes on the Note Principal Balance as so reduced unless the Note Principal Balance is subsequently increased due to the allocation of Subsequent Recoveries to the Note Principal Balance of the class as described in the definition of "Note Principal Balance" described in this prospectus supplement under "-- Glossary of Terms -- Definitions related to Distribution Dates and Collections."

## [[Class AF-5B] Note Guaranty Insurance Policy]

On the Closing Date, [ ] (the "[Class AF-5B] Insurer") will issue the [Class AF-5B] Policy in favor of the Indenture Trustee on behalf of the [Class AF-5B] noteholders. The following summary of the provisions of the [Class AF-5B] Policy does not purport to be complete and is qualified in its entirety by reference to the [Class AF-5B] Policy. The [Class AF-5B] Policy will be filed with the SEC as an Exhibit to a Current Report on Form 8-K after the Closing Date.

The [Class AF-5B] Insurer, will issue a note guaranty insurance policy (the "Class AF-5B Policy") for the benefit of the holders of the [Class AF-5B] Notes. The [Class AF-5B] Insurer, in consideration of the payment of a premium

and subject to the terms of the [Class AF-5B] Policy, unconditionally and irrevocably guarantees the payment of Insured Amounts to the Indenture Trustee on behalf of the holders of the [Class AF-5B] Notes and payments of Preference Amounts as described below. The [Class AF-5B] Insurer will pay Insured Amounts which are Due for Payment to the Indenture Trustee on the later of:

- o [the Distribution Date the Insured Amount is distributable to the holders of the [Class AF-5B] Notes under the Sale and Servicing Agreement, and]
- o [the second Business Day following the Business Day the [Class AF-5B] Insurer shall have received telephonic or telegraphic notice, subsequently confirmed in writing, the original of which is sent by registered or certified mail, from the Indenture Trustee, specifying that an Insured Amount is due in accordance with the terms of the [Class AF-5B] Policy; provided that, if the notice is received after 12:00 noon, New York City time, on any Business Day, it shall be deemed to be received on the following Business Day. ]

If any notice is not in proper form or is otherwise insufficient for the purpose of making a claim under the [Class AF-5B] Policy, it shall be deemed not to have been received for purposes of this paragraph, and the [Class

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AF-5B] Insurer shall promptly so advise the Indenture Trustee and the Indenture Trustee may submit an amended or corrected notice.

The [Class AF-5B] Insurer's obligation under the [Class AF-5B] Policy will be discharged to the extent that funds are received by the Indenture Trustee for payment to the holders of the [Class AF-5B] Notes whether or not those funds are properly paid by the Indenture Trustee. Payments of Insured Amounts will be made only at the time set forth in the [Class AF-5B] Policy, and no accelerated payments of Insured Amounts will be made regardless of any acceleration of the [Class AF-5B] Notes, unless the acceleration is at the sole option of the [Class AF-5B] Insurer.

For purposes of the [Class AF-5B] Policy, a holder does not and may not include any of the Indenture Trustee, the Sellers, the Depositor or the Master Servicer.

The [Class AF-5B] Policy will not cover:

- o shortfalls, if any, attributable, to Prepayment Interest Shortfalls;
- o any interest shortfalls resulting from the application of the Relief Act or similar state or local laws, or any Net Rate Carryover; or
- o any shortfalls, if any, attributable to the liability of the issuing entity, the Indenture Trustee or any holder of a [Class AF-5B] Note for withholding taxes, if any (including interest and penalties in respect of any liability for withholding taxes).]

[In addition, the [Class AF-5B] Policy:

- o does not cover any risk other than Nonpayment, including the failure of the Indenture Trustee to make any payment required under the Sale and Servicing Agreement to the holders of the [Class AF-5B] Notes;

- o does not guarantee to the holders of the [Class AF-5B] Notes any particular rate of --- principal payment; and
- o does not provide credit enhancement for any class of Notes other than the [Class --- AF-5B] Notes.

No person other than the Indenture Trustee shall be entitled to present the notice under the [Class AF-5B] Policy.

In the absence of payments under the [Class AF-5B] Policy, holders of the [Class AF-5B] Notes will directly bear the credit risks associated with their Notes.

The [Class AF-5B] Insurer will be subrogated to the rights of each holder of the [Class AF-5B] Notes to the extent of any payment by the [Class AF-5B] Insurer under the [Class AF-5B] Policy.

The [Class AF-5B] Insurer agrees that if it shall be subrogated to the rights of the holders of the [Class AF-5B] Notes, no recovery of the payment will occur unless the full amount of the holders' allocable distributions for the Distribution Date can be made. In so doing, the [Class AF-5B] Insurer does not waive its rights to seek full payment of all Reimbursement Amounts owed to it under the Sale and Servicing Agreement.

The [Class AF-5B] Policy and the obligations of the [Class AF-5B] Insurer thereunder will terminate without any action on the part of the [Class AF-5B] Insurer or any other person on the date following the later to occur of (i) the date that is one year and one day following the date on which all amounts required to be paid on the [Class AF-5B] Notes have been paid in full and (ii) if any proceeding referenced in the immediately following paragraph has been commenced on or prior to the date specified in clause (i) of this paragraph, the 30th day after the entry of a final, nonappealable order in resolution or settlement of the proceeding. Upon termination of the [Class AF-5B] Policy, the Indenture Trustee will forthwith deliver the original of the [Class AF-5B] Policy to the [Class AF-5B] Insurer.

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Pursuant to the [Class AF-5B] Policy, the [Class AF-5B] Insurer will pay any Preference Amount when due to be paid pursuant to the Order (as defined below), but in any event no earlier than the third Business Day following receipt by the [Class AF-5B] Insurer of:

(i) a certified copy of a final, non-appealable order of a court or other body exercising jurisdiction in the insolvency proceeding to the effect that the Indenture Trustee, or holder of a [Class AF-5B] Note, as applicable, is required to return the Preference Amount paid during the term of the [Class AF-5B] Policy because the payments were avoided as a preferential transfer or otherwise rescinded or required to be restored by the Indenture Trustee or holder of a [Class AF-5B] Note (the "Order"),

(ii) a notice by or on behalf of the Indenture Trustee or holder of a [Class AF-5B] Note that the Order has been entered and is not subject to any stay,

(iii) an assignment, in form and substance satisfactory to the [Class AF-5B] Insurer, duly executed and delivered by the Indenture Trustee or holder of a [Class AF-5B] Note, irrevocably assigning to the [Class AF-5B] Insurer all rights and claims of the Indenture Trustee or the holder relating to or arising under the Sale and Servicing Agreement against the estate of the issuing entity or otherwise with respect to the Preference Amount and

(iv) a notice (in the form provided in the [Class AF-5B] Policy) appropriately completed and executed by the Indenture Trustee; provided, that if the documents are received after 12:00 noon, New York City time on any Business Day, they will be deemed to be received the following Business Day; provided further, that the [Class AF-5B] Insurer shall not be obligated to make any payment in respect of any Preference Amount representing a payment of principal on the [Class AF-5B] Notes prior to the time the [Class AF-5B] Insurer would have been required to make a payment in respect of the principal pursuant to the [Class AF-5B] Policy.

The payment shall be disbursed to the receiver, conservator, debtor-in-possession or Indenture Trustee in bankruptcy named in the Order, and not to the Indenture Trustee or to the holders of the [Class AF-5B] Notes directly, unless a holder of a [Class AF-5B] Note has made a payment of the Preference Amount to the court or the receiver, conservator, debtor-in-possession or Indenture Trustee in bankruptcy named in the Order, in which case the [Class AF-5B] Insurer will pay to the Indenture Trustee on behalf of the holder, subject to the delivery of (a) the items referred to in clauses (i), (ii), (iii) and (iv) above to the [Class AF-5B] Insurer and (b) evidence satisfactory to the [Class AF-5B] Insurer that payment has been made to the court or receiver, conservator, debtor-in-possession or Indenture Trustee in bankruptcy named in the Order.

As used in the [Class AF-5B] Policy, the following terms shall have the following meanings:

"Deficiency Amount" with respect to:

(A) each Distribution Date prior to the Maturity Date for the [Class AF-5B] Notes, means an amount equal to the sum of (i) the excess, if any, of (a) the amount of Current Interest on the [Class AF-5B] Notes net of any interest shortfalls resulting from Prepayment Interest Shortfalls and any interest shortfalls resulting from the application of the Relief Act, or similar state or local laws over (b) the [Class AF-5B] Available Funds for that Distribution Date, and (ii) for any Distribution Date after the Note Principal Balance of the [Fixed Rate Subordinate Notes] has been reduced to zero, the excess, if any of (a) the Note Principal Balance of the [Class AF-5B] Notes over (b) the sum of the aggregate Stated Principal Balance of the Mortgage Loans in Loan Group [1] and the amount on deposit in the Pre-Funding Account in respect of Loan Group [1], in each case taking into account all distributions to be made on the Distribution Date;

(B) the Maturity Date for the [Class AF-5B] Notes, means an amount equal to the sum of (i) the excess, if any, of (a) the amount of Current Interest on the [Class AF-5B] Notes net of any interest shortfalls resulting from Prepayment Interest Shortfalls and any interest shortfalls resulting from the application of the Relief Act, or similar state or local laws over (b) the [Class AF-5B] Available Funds for that Distribution Date and (ii) the Note Principal Balance of the [Class AF-5B] Notes on the Maturity Date for the [Class AF-5B] Notes (after taking

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into account all distributions of [Class AF-5B] Available Funds to be made to the [Class AF-5B] Notes on the Distribution Date); and

(C) for the [Class AF-5B] Notes and any date on which the acceleration of the Notes has been directed or consented to by the [Class AF-5B] Insurer, means the excess of (i) the amount required to pay the Note Principal Balance of the [Class AF-5B] Notes in full, together with accrued and unpaid interest thereon through the date of payment of the [Class AF-5B] Notes and (ii) the [Class AF-5B] Available Funds for that Distribution Date.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking or savings and loan institutions in the State of California, the State of New York or the cities in which the Corporate Trust Office of the Indenture Trustee is located, are authorized or obligated by law or executive order to be closed.

"[Class AF-5B] Available Funds" means, with respect to any Distribution Date, funds allocated from amounts available pursuant to the Sale and Servicing Agreement to make distributions on the [Class AF-5B] Notes on the Distribution Date, other than any Insured Amounts.

"Distribution Date" means the [ ]th day of any month, or if the [ ]th day is not a Business Day, the Business Day immediately following the [ ]th day, commencing in [ ] 200[ ].

"Due for Payment" means with respect to an Insured Amount, the Distribution Date on which Insured Amounts are due and payable pursuant to the terms of the Sale and Servicing Agreement.

"Insured Amounts" means, with respect to any Distribution Date, the Deficiency Amount for the Distribution Date.

"Insured Payments" means, with respect to any Distribution Date, the aggregate amount actually paid by the [Class AF-5B] Insurer to the Indenture Trustee in respect of (i) Insured Amounts for a Distribution Date and (ii) Preference Amounts for any given Business Day.

"Late Payment Rate" means, with respect to any Distribution Date, the lesser of (i) the greater of (a) the rate of interest, as it is publicly announced by Citibank, N.A. at its principal office in New York, New York as its prime rate (any change in the prime rate of interest to be effective on the date the change is announced by Citibank, N.A.) plus [ ]% and (b) the then applicable highest rate of interest on the [Class AF-5B] Notes and (ii) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"Nonpayment" means, with respect to any Distribution Date, an Insured Amount is Due for Payment but has not been paid pursuant to the Sale and Servicing Agreement.

"Preference Amount" means any amount payable on the [Class AF-5B] Notes, which has become Due for Payment and which was made to a holder of a [Class AF-5B] Note by or on behalf of the issuing entity, which has been deemed a

preferential transfer and theretofore recovered from its holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction.

"Reimbursement Amount" means, with respect to any Distribution Date, (i) all Insured Payments paid by the [Class AF-5B] Insurer, but for which the [Class AF-5B] Insurer has not been reimbursed prior to the Distribution Date, plus (ii) interest accrued on the Insured Payments not previously repaid calculated at the Late Payment Rate, from the date the Insured Payments were made.

Capitalized terms used herein as defined terms and not otherwise defined herein shall have the meaning assigned to them in the Sale and Servicing Agreement, without regard to any amendment or modification thereof, unless the amendment or modification has been approved in writing by the [Class AF-5B] Insurer.

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The [Class AF-5B] Policy is not cancelable. The premium on the [Class AF-5B] Policy is not refundable for any reason including payment, or provision being made for payment, prior to maturity of the [Class AF-5B] Notes. [The Sale and Servicing Agreement does not provide for any substitution of the [Class AF-5B] Policy.

The [Class AF-5B] Policy is issued under and shall be construed under, the laws of the State of New York, without giving effect to the conflict of laws principles thereof.

THE INSURANCE PROVIDED BY THE [CLASS AF-5B] POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.]

[The [Class AF-5B] Insurer

The following information has been supplied by [ ], the [Class AF-5B] Insurer, for inclusion in this prospectus supplement. No representation is made by the Sellers, the Master Servicer, the Indenture Trustee, the Underwriters or any of their affiliates as to the accuracy or completeness of the information.]

[Item 1114 Disclosure to be provided by Insurer]

#### Reports to Noteholders

On each Distribution Date, the Indenture Trustee will forward by first class mail to each noteholder, the [Class AF-5B] Insurer, the Master Servicer and the Depositor a statement generally setting forth, among other information:

(1) the amount of the related distribution to holders of the Offered Notes allocable to principal, separately identifying:

(a) the aggregate amount of any Principal Prepayments included therein, and

(b) the aggregate of all Scheduled Payments of principal included therein,

(2) the amount of the distribution to holders of the Offered Notes allocable to interest,

(3) the Interest Carry Forward Amounts for each class of Offered Notes (if any),

(4) the Note Principal Balance of each class of Offered Notes after giving effect to (i) all distributions allocable to principal on the Distribution Date, (ii) the allocation of any Applied Realized Loss Amounts for the Distribution Date and (iii) the allocation of any Subsequent Recoveries for the Distribution Date,

(5) the aggregate Stated Principal Balance of the Mortgage Loans in each Loan Group for the following Distribution Date,

(6) the amount of the Servicing Fees paid to or retained by the Master Servicer for the related Due Period,

(7) the Interest Rate for each class of Offered Notes for the Distribution Date,

(8) the amount of Advances for each Loan Group included in the distribution on the Distribution Date,

(9) the number and aggregate principal amounts of Mortgage Loans in each Loan Group:

(a) delinquent (exclusive of related Mortgage Loans in foreclosure):

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30 to 59 days,  
60 to 89 days and  
90 or more days, and

(b) in foreclosure and delinquent:  
30 to 59 days,  
60 to 89 days and  
90 or more days,

in each case as of the close of business on the last day of the calendar month preceding the Distribution Date,

(10) with respect to any Mortgage Loan in each Loan Group that became an REO Property during the preceding calendar month, the loan number and Stated Principal Balance for the Distribution Date of the Mortgage Loan and the date of acquisition thereof,

(11) [whether a Fixed Rate Trigger Event, an Adjustable Rate Trigger Event or a Group [2] Sequential Trigger Event is in effect,]

(12) the total number and Stated Principal Balance of any REO Properties in each Loan Group as of the close of business on the Determination Date preceding the Distribution Date,

(13) [any Net Rate Carryover paid and all remaining Net Rate Carryover remaining on each class of Notes on the Distribution Date,]

(14) the amounts, if any, due to the trust fund, and the amounts received, in respect of each Corridor Contract for the Distribution Date,

(15) the amount of Realized Losses and Subsequent Recoveries applied to the [Class 2-AV-2] Notes, the [Fixed Rate Subordinate Notes] and the [Adjustable Rate Subordinate Notes] for the Distribution Date,

(16) all payments made by the Master Servicer in respect of Compensating Interest for the Distribution Date, and

(17) [all amounts paid to the [Class AF-5B] Insurer in respect of any premiums payable with respect to the [Class AF-5B] Policy and in respect of the [Class AF-5B] Reimbursement Amount for the Distribution Date].

The monthly statement is prepared by the Indenture Trustee based on information provided by the Master Servicer. The Indenture Trustee is not responsible for recomputing, recalculating or verifying the information provided to it by the Master Servicer and will be permitted to conclusively rely on any information provided to it by the Master Servicer. The report to noteholders may include additional or other information of a similar nature to that specified above.

The Indenture Trustee may, at its option, make the statements described above available to noteholders and the [Class AF-5B] Insurer on the Indenture Trustee's website (assistance in using the website service may be obtained by calling the Indenture Trustee's customer service desk at (800) 254-2826). In addition, within 60 days after the end of each calendar year, the Indenture Trustee will prepare and deliver to each noteholder of record during the previous calendar year a statement containing information necessary to enable noteholders to prepare their tax returns. The statements will not have been examined and reported upon by an independent public accountant.

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Amendment

Sale and Servicing Agreement and Indenture

The Sale and Servicing Agreement and the Indenture may be amended by the parties to those agreements [with the consent of the NIM Insurer] but without the consent of any of the noteholders, for any of the purposes set forth under "The Agreements -- Amendment" in the prospectus. In addition, the Sale and Servicing Agreement and the Indenture may be amended by the parties to those agreements and the holders of a majority in interest of each class of Notes affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of those agreements or of modifying in any manner the rights of the noteholders; provided, however, that no amendment may:

(1) reduce in any manner the amount of, or delay the timing of, payments required to be distributed on any Note without the consent of the holder of the Note,

(2) adversely affect in any material respect the interests of the holders of any class of Notes in a manner other than as set forth in clause (1) above, without the consent of the holders of Notes of the class evidencing, as to that class, Percentage Interests aggregating  $[66\frac{2}{3}\%]$ ,

(3) reduce the aforesaid percentage of aggregate outstanding principal amounts of Notes of each class, the holders of which are required to consent to an amendment, without the consent of the holders of all Notes of the class, or

(4) [adversely affect in any material respects the rights or interests of the Class AF-5B Insurer without its consent, which consent shall not be unreasonably withheld.]

#### Trust Agreement

The Trust Agreement may be amended by the Depositor, the Trust Administrator and the Owner Trustee, with the consent of the holder of the Owner Trust Certificate and with prior written notice to the Rating Agencies, but without the consent of any of the Noteholders or the Indenture Trustee, (i) to cure any ambiguity, (ii) to conform the provisions of the Trust Agreement to the information contained in the prospectus or to correct or supplement any provision herein, (iii) to make any other provision with respect to matters or questions arising under the Trust Agreement or (iv) to add, delete, or amend any provision in order to comply with any requirements imposed by the Code, ERISA and their related regulations; provided, however, that such action will not, as evidenced by an opinion of counsel, adversely affect in any material respect the interests of any noteholder or certificateholder or adversely affect the tax status of the issuing entity. An amendment will not be deemed to adversely affect in any material respect the interests of any noteholder or certificateholder and no opinion referred to in the preceding proviso will be required to be delivered if the Person requesting the amendment obtains a letter from each Rating Agencies stating that the amendment would not result in the downgrading or withdrawal of the respective ratings then assigned to each applicable class of Notes. The Trust Agreement may also be amended from time to time by the Depositor, the Trust Administrator and the Owner Trustee, with the prior written consent of the Rating Agencies, the holders of Notes evidencing more than 66% of the Note Principal Balance of the Notes and the holder of the Owner Trust Certificate, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Trust Agreement or modifying in any manner the rights of the holder of the Owner Trust Certificate; provided, however, that no such amendment will, as evidenced by an Opinion of Counsel, adversely affect the tax status of the issuing entity; and provided, further, that no such amendment will (a) increase or reduce in any manner the amount of, or delay the timing of, collections of payments on the Collateral or payments that will be required to be made for the benefit of the Noteholders or the holder of the Owner Trust Certificate or (b) reduce the aforesaid percentage of the Note Principal Balance of the Notes required to consent to or to waive the requirement for any holder of the Owner Trust Certificate to consent to any such amendment, in either case of clause (a) or (b) without the consent of the holders of all the outstanding Notes and the holder of the Owner Trust Certificate.

## Voting Rights

As of any date of determination:

- o holders of the [Class PF] and [Class PV] Notes will each be allocated 1% of all voting rights in respect of the Notes (collectively, the "Voting Rights") (for a total of 5% of the Voting Rights), and
- o holders of the other classes of Notes will be allocated the remaining Voting Rights in proportion to their respective outstanding Note Principal Balances.

Voting Rights will be allocated among the Notes of each class in accordance with their respective Percentage Interests. [However, on any date on which any [Class AF-5B] Notes are outstanding or any amounts are owed the [Class AF-5B] Insurer under the Sale and Servicing Agreement, the [Class AF-5B] Insurer will have all of the Voting Rights of the [Class AF-5B] Notes unless the [Class AF-5B] Insurer fails to make a required payment under the [Class AF-5B] Policy, a proceeding in bankruptcy shall have been instituted by the [Class AF-5B] Insurer, or a decree or order for relief shall have been issued in respect of a proceeding in bankruptcy against the [Class AF-5B] Insurer and shall remain unstayed for a period of 60 consecutive days.]

## Optional Purchase of Defaulted Loans

As to any Mortgage Loan that is delinquent in payment by [150] days or more, the Master Servicer may, at its option but subject to certain conditions specified in the Sale and Servicing Agreement, purchase the Mortgage Loan at a price equal to 100% of the Stated Principal Balance thereof plus accrued interest thereon at the applicable Net Mortgage Rate from the date through which interest was last paid by the related mortgagor or advanced to the first day of the month in which the amount is to be distributed to noteholders. The Master Servicer must exercise this right on or before the last day of the calendar month in which the related Mortgage Loan became [150] days delinquent.

## [Master] Servicer Defaults

[Master] Servicer Defaults will consist of:

(1) any failure by the [Master] Servicer to deposit in the Collection Account or the Distribution Account the required amounts or remit to the Indenture Trustee any payment (including an Advance required to be made under the terms of the Sale and Servicing Agreement) which continues unremedied for five calendar days (or in the case of an Advance, one Business Day) after written notice of the failure shall have been given to the [Master] Servicer by the Indenture Trustee, the NIM Insurer or the Depositor, or to the Indenture Trustee, the NIM Insurer and the [Master] Servicer by the holders of Notes evidencing not less than 25% of the Voting Rights,

(2) any failure by the [Master] Servicer to observe or perform in any material respect any other of its covenants or agreements, or any breach of a representation or warranty made by the [Master] Servicer, in the Sale and Servicing Agreement, which in each case continues unremedied for 60 days after the giving of written notice of the failure to the [Master] Servicer by the Indenture Trustee, the NIM Insurer or the Depositor, or to the Indenture Trustee by the holders of Notes evidencing not less than 25% of the Voting Rights,

(3) a decree or order of a court or agency or supervisory authority having jurisdiction in the premises for the appointment of a receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the [Master] Servicer and the decree or order shall have remained in force undischarged or unstayed for a period of 60 consecutive days,

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(4) the [Master] Servicer shall consent to the appointment of a receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the [Master] Servicer or all or substantially all of the property of the [Master] Servicer,

(5) the [Master] Servicer shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of, or commence a voluntary case under, any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations, or

(6) the [Master] Servicer shall fail to reimburse, in full, the Indenture Trustee not later than 6:00 p.m., New York City time, on the Business Day following the related Distribution Date for any Advance made by the Indenture Trustee together with accrued and unpaid interest.]

#### Rights Upon [Master] Servicer Default

[So long as a [Master] Servicer Default under the Sale and Servicing Agreement remains unremedied, subject to the rights of the NIM Insurer, the Indenture Trustee shall, but only upon the receipt of instructions from the NIM Insurer or from holders of Notes having not less than 25% of the Voting Rights (subject to the consent of the [Class AF-5B] Insurer, which consent shall not be unreasonably withheld) terminate all of the rights and obligations of the [Master] Servicer under the Sale and Servicing Agreement and in and to the Mortgage Loans, whereupon the Indenture Trustee will succeed to all of the responsibilities and duties of the [Master] Servicer under the Sale and Servicing Agreement, including the obligation to make Advances. We cannot assure you that termination of the rights and obligations of the [Master] Servicer under the Sale and Servicing Agreement would not adversely affect the servicing of the Mortgage Loans, including the delinquency experience of the Mortgage Loans.]

[No noteholder, solely by virtue of the holder's status as a noteholder, will have any right under the Sale and Servicing Agreement to institute any proceeding with respect thereto, unless the holder previously has given to the Indenture Trustee written notice of the continuation of a [Master] Servicer Default and unless the holders of Notes having not less than 25% of the Voting Rights have made a written request to the Indenture Trustee to institute the proceeding in its own name as Indenture Trustee thereunder and have offered to the Indenture Trustee reasonable indemnity and the Indenture Trustee for 60 days has neglected or refused to institute the proceeding and in which case the rights of the noteholders shall be subject to the rights of the NIM

Insurer.]

[Within 60 days after the occurrence of any [Master] Servicer Default, the Indenture Trustee shall transmit by mail to all holders of the Notes notice of each [Master] Servicer Default known to the Indenture Trustee, except for any [Master] Servicer Default that has been cured or waived.]

#### Events of Default Under the Indenture

An "Indenture Default" is any event of default under the Indenture, which generally consist of: (i) a default for one month or more in the payment of any Current Interest due on any class of Notes outstanding; (ii) a default in the payment of the entire principal of any Note when the same becomes due and payable under the Indenture or on the applicable maturity date; (iii) a default in the observance or performance of any covenant or agreement of the issuing entity made in the Indenture and the continuation of any such default for a period of 30 days after notice thereof is given to the Owner Trustee as provided in the Indenture; (iv) any representation or warranty made by the issuing entity in the Indenture or in any certificate delivered pursuant thereto or in connection therewith having been incorrect in a material respect when made, and such breach not having been cured within 30 days after notice thereof is given to the Owner Trustee as provided in the Indenture; or (v) certain events of bankruptcy, insolvency, receivership or liquidation of the issuing entity.

If an Indenture Default occurs and is continuing, the Indenture Trustee or Holders of a majority by Note Principal Amount of the Priority Class or Priority Classes of Notes then outstanding may declare the principal of the Notes to be immediately due and payable. Such declaration may, under certain circumstances, be rescinded by the Holders of a majority by Note Principal Amount of such Priority Class or Priority Classes of Notes. The "Priority Class" is the class or classes of Notes then outstanding having the highest priority of payment of interest.

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If the Notes are declared immediately due and payable following an Indenture Default, the Indenture Trustee may, as directed, institute proceedings to collect amounts due or foreclose on collateral pledged to secure the Notes, exercise remedies as a secured party, sell the assets of the issuing entity pledged to secure the Notes, or elect to maintain possession of such assets and continue to apply collections on such assets as if there had been no declaration of acceleration. However, the Indenture Trustee is prohibited from selling the assets of the issuing entity following an Indenture Default, other than a default in the payment of any principal of or a default for one month or more in the payment of any interest on any class of Notes, unless (i) the holders of all outstanding Notes consent to such sale, (ii) the proceeds of the sale are sufficient to pay in full the principal of and the accrued interest on such outstanding Notes at the date of such sale or (iii) the Indenture Trustee determines, based on information provided by the Trust Administrator, that the proceeds of the property of the issuing entity would not be sufficient on an ongoing basis to make all payments on the Notes as such payments would have become due if such obligations had not been declared due and payable, and the Indenture Trustee obtains the consent of the holders of 66% of the aggregate Note Principal Amount of the Notes. If the collateral securing the Notes is sold following an Indenture Default, proceeds of such sale, after deduction of the expenses of such sale, will be applied in

the order of priority provided in "--Distributions" above.

If an Indenture Default occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders of the Notes, if the Indenture Trustee reasonably believes it will not be adequately indemnified against the costs, expenses and liabilities that might be incurred by it in complying with such request. Subject to the provisions for indemnification and certain limitations contained in the Indenture, the holders of a majority in principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding or any remedy available to the Indenture Trustee, and the holders of a majority in principal amount of the Notes then outstanding may, in certain cases, waive any default with respect thereto, except a default in the payment of principal or interest or a default in respect of a covenant or provision of the Indenture that cannot be modified without the waiver or consent of all the holders of the outstanding Notes.

Except as described above in the case of an Indenture Default, no noteholder will have the right to institute any proceeding with respect to the Indenture, unless (i) such holder previously has given to the Indenture Trustee written notice of a continuing Indenture Default, (ii) the holders of not less than 25% of the Note Principal Balance of the outstanding Notes have made written request to the Indenture Trustee to institute such proceeding in its own name as the Indenture Trustee, (iii) such holder or holders have offered the Indenture Trustee reasonable indemnity, (iv) the Indenture Trustee has, for 60 days after receipt of such notice, request and offer of indemnity, failed to institute such proceeding and (v) no direction inconsistent with such written request has been given to the Indenture Trustee during such 60-day period by the Holders of a majority in principal amount of such outstanding Notes.

None of the Indenture Trustee, the Master Servicer, the Trust Administrator nor the Owner Trustee in their respective individual capacities, nor the holder of the Owner Trust Certificate, nor any of their respective owners, beneficiaries, agents, officers, directors, employees, affiliates, successors or assigns will, except as expressly set forth in the transaction documents, be personally liable for the payment of the principal of or interest on the Notes or for the agreements of the issuing entity contained in the Indenture.

#### Optional Termination

The [Master Servicer] will have the right to purchase all remaining Mortgage Loans and REO Properties in the issuing entity and thereby effect early retirement of all the Notes, on any Distribution Date on or after the first Distribution Date on which the aggregate Stated Principal Balance of the Mortgage Loans and REO Properties in the issuing entity is less than or equal to [ ]% of the sum of the Initial Cut-off Date Pool Principal Balance and the original Pre-Funded Amount (the "Optional Termination Date"). [The Master Servicer is an affiliate of the Sellers and the Depositor.]

[In the event the option is exercised by [the Master Servicer], the purchase will be made at a price equal to the sum of:

- (1) 100% of the Stated Principal Balance of each Mortgage Loan in the issuing entity (other than in respect of REO Property) plus accrued interest thereon at the applicable Net Mortgage Rate, and

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(2) the appraised value of any REO Property (up to the Stated Principal Balance of the related Mortgage Loan) in the issuing entity;

provided, however, that (i) unless the NIM Insurer otherwise consents, the purchase price will in no event be less than an amount that would result in a final distribution on any NIM Insurer guaranteed notes that is sufficient (x) to pay the notes in full and (y) to pay any amounts due and payable to the NIM Insurer pursuant to the indenture related to the notes and (ii) unless the [Class AF-5B] Insurer otherwise consents, the purchase price will in no event be less than an amount that would result in a final distribution to the [Class AF-5B] Notes and the [Class AF-5B] Insurer, respectively, that is sufficient (x) to pay the [Class AF-5B] Notes in full and (y) to pay any amounts due and payable to the [Class AF-5B] Insurer pursuant to the Sale and Servicing Agreement.]

[The NIM Insurer may also have the right to purchase all remaining Mortgage Loans and REO Properties in the issuing entity at the price set forth above (plus any unreimbursed Servicing Advances, and the principal portion of any unreimbursed Advances, made on the Mortgage Loans prior to the exercise of the option), subject to the same restrictions. The identity of any NIM Insurer is not known as of the date of this prospectus supplement. It is possible that the NIM Insurer will be an affiliate of the [Class AF-5B] Insurer or one of the Underwriters.]

Notice of any termination, specifying the Distribution Date on which related noteholders may surrender their Notes for payment of the final distribution and cancellation, will be given promptly by the Indenture Trustee by letter to related noteholders mailed not earlier than the 10th day and no later than the 15th day of the month immediately preceding the month of the final distribution. The notice will specify (a) the Distribution Date upon which final distribution on related Notes will be made upon presentation and surrender of the Notes at the office therein designated, (b) the amount of the final distribution, (c) the location of the office or agency at which the presentation and surrender must be made, and (d) that the Record Date otherwise applicable to the Distribution Date is not applicable, distributions being made only upon presentation and surrender of the Notes at the office therein specified.

In the event a notice of termination is given, the Master Servicer will cause all funds in the Collection Account to be remitted to the Indenture Trustee for deposit in the Distribution Account on the Business Day prior to the applicable Distribution Date in an amount equal to the final distribution in respect of the Notes. At or prior to the time of making the final payment on the Notes, the Master Servicer as agent of the Indenture Trustee will sell all of the assets of the issuing entity to [the Master Servicer or the NIM Insurer, as applicable,] for cash. Proceeds from a purchase will be distributed to the noteholders and the [Class AF-5B] Insurer in the priority described above under "-- Distributions" and "-- Overcollateralization Provisions" and will reflect the current Note Principal Balance and other entitlements of each class at the time of liquidation. As a result, if any Applied Realized Loss Amounts have been allocated to any class or classes of Notes, any Unpaid Realized Loss Amounts would be paid in the order and priority set forth above under "-- Overcollateralization Provisions."

The proceeds from any sale in connection the exercise of the option may not be sufficient to distribute the full amount to which each class of Notes

is entitled if the purchase price is based in part on the appraised value of any REO Property and that appraised value is less than the Stated Principal Balance of the related Mortgage Loan. Any purchase of the Mortgage Loans and REO Properties will result in a redemption of the Notes. At the time of the making of the final payment on the Notes, the Indenture Trustee shall distribute or credit, or cause to be distributed or credited, to the holder of the Owner Trust Certificate all cash on hand related to the Owner Trust Certificate, and the issuing entity will terminate at that time. Once the issuing entity has been terminated, noteholders will not be entitled to receive any amounts that are recovered subsequent to the termination.

Certain Matters related to the Master Servicer, the Depositor, the Sellers and [the NIM Insurer]

The prospectus describes the indemnification to which the Master Servicer and the Depositor (and their respective directors, officers, employees and agents) are entitled and also describes the limitations on any liability of the Master Servicer and the Depositor (and their respective directors, officers, employees and agents) to the issuing entity. See "The Agreements -- Certain Matters Regarding the Master Servicer and the Depositor" in the prospectus. The Sale and Servicing Agreement provides that these same provisions regarding indemnification and exculpation apply to each Seller [and any NIM Insurer].

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The Indenture Trustee

[ ] will be the Indenture Trustee under the Indenture. [ ] has been, and currently is, serving as indenture trustee and trustee for numerous securitization transactions and programs involving pools of residential mortgages.] [ ] is one of the largest corporate trust providers of trust services on securitization transactions.] The Depositor and [Countrywide Home Loans] may maintain other banking relationships in the ordinary course of business with the Indenture Trustee. The Offered Notes may be surrendered at the Corporate Trust Office of the Indenture Trustee located at [ ] or another addresses as the Indenture Trustee may designate from time to time.

The Indenture Trustee will be liable for its own grossly negligent action, its own gross negligent failure to act or its own misconduct, its grossly negligent failure to perform its obligations in compliance with the Indenture or the Sale and Servicing Agreement, or any liability that would be imposed by reason of its willful misfeasance or bad faith. However, the Indenture Trustee will not be liable, individually or as Indenture Trustee,

- o for an error of judgment made in good faith by a responsible officer of the Indenture Trustee, unless the Indenture Trustee was grossly negligent or acted in bad faith or with willful misfeasance,
- o with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the holders of each Class of Notes evidencing not less than 25% of the Voting Rights of the Class relating to the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee, or exercising any trust or power conferred upon the Indenture Trustee under the Indenture or the Sale and Servicing Agreement,

- o for any action taken or suffered or omitted by it under the Indenture or the Sale and Servicing Agreement in good faith and in accordance with an opinion of counsel, or
- o for any loss on any investment of funds pursuant to the Indenture or the Sale and Servicing Agreement (other than as issuer of the investment security).

The Indenture Trustee is also entitled to rely without further investigation upon any resolution, officer's note, note of auditors or any other note, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The Indenture provides that the Indenture Trustee and any successor Indenture Trustee will, at all times, be a corporation or association organized and doing business under the laws of a state or the United States of America, authorized under the laws of the United States of America to exercise corporate trust powers, having a combined capital and surplus of at least \$[50,000,000], subject to supervision or examination by federal or state authority and with a credit rating that would not cause any of the Rating Agencies to reduce their respective ratings of any Class of Notes (without regard to the [Class AF-5B] Policy, in the case of the [Class AF-5B] Notes) below the ratings issued on the Closing Date (or having provided security from time to time as is sufficient to avoid the reduction). If the Indenture Trustee no longer meets the foregoing requirements, the Indenture Trustee has agreed to resign immediately.

The Indenture Trustee may at any time resign by giving written notice of resignation to the Depositor, the Master Servicer, each Rating Agency and the noteholders, not less than 60 days before the specified resignation date. The resignation shall not be effective until a successor Indenture Trustee has been appointed. If a successor Indenture Trustee has not been appointed within 30 days after the Indenture Trustee gives notice of resignation, the resigning Indenture Trustee may petition any court of competent jurisdiction for the appointment of a successor Indenture Trustee.

The Depositor, [the NIM Insurer] or the Master Servicer may remove the Indenture Trustee and appoint a successor Indenture Trustee [reasonably acceptable to the NIM Insurer] if:

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- o the Indenture Trustee ceases to meet the eligibility requirements described above and fails to resign after written request to do so is delivered to the Indenture Trustee by [the NIM Insurer or] the Depositor,
- o the Indenture Trustee becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the Indenture Trustee or of its property is appointed, or any public officer takes charge or control of the Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, or
- o (iii) (A) a tax is imposed with respect to the issuing entity by any state in which the Indenture Trustee or the issuing entity is located, (B) the imposition of the tax would be avoided by the appointment of a

different Indenture Trustee and (C) the Indenture Trustee fails to indemnify the issuing entity against the tax.

In addition, the holders of Notes evidencing at least 51% of the Voting Rights of each Class of Notes may at any time remove the Indenture Trustee and appoint a successor Indenture Trustee. Notice of any removal of the Indenture Trustee shall be given to each Rating Agency by the successor Indenture Trustee.

Any resignation or removal of the Indenture Trustee and appointment of a successor Indenture Trustee pursuant to any of the provisions described above will become effective upon acceptance of appointment by the successor Indenture Trustee.

A successor Indenture Trustee will not be appointed unless the successor Indenture Trustee meets the eligibility requirements described above, [is reasonably acceptable to the NIM Insurer] and its appointment does not adversely affect the then-current ratings of the Notes (without regard to the [Class AF-5B] Policy, in the case of the [Class AF-5B] Notes).

#### Ownership of the Owner Trust Certificate

On the Closing Date, the Owner Trust Certificate will be acquired by [CW Securities Holdings, Inc., an affiliate of the Depositor, the Sellers and the Master Servicer]. [CW Securities Holdings, Inc.] may retain the Owner Trust Certificate or transfer it in other transactions.

#### Restrictions on Investment, Suitability Requirements

An investment in the Notes may not be appropriate for all investors due to tax, ERISA or other legal requirements. Investors should review the disclosure included in this prospectus supplement and the prospectus under "Material Federal Income Tax Consequences," "ERISA Considerations" and "Legal Matters" prior to any acquisition and are encouraged to consult with their advisors prior to purchasing the Notes.

#### [Rights of the NIM Insurer Under the Sale and Servicing Agreement and the Indenture

After the Closing Date, a separate trust or trusts (or other form of entity) may be established to issue net interest margin securities secured by all or a portion of the [Class PF] and [Class PV] Notes and the Owner Trust Certificate. Those net interest margin securities may or may not have the benefit of a financial guaranty insurance policy. The insurer or insurers (the "NIM Insurer") that would issue a policy will be a third party beneficiary of the Sale and Servicing Agreement and the Indenture and will have a number of rights under the Sale and Servicing Agreement and the Indenture, which will include the following:

- o the right to consent to the Master Servicer's exercise of its discretion to waive assumption fees, late payment or other charges in connection with a Mortgage Loan or to arrange for the extension of due dates for payments due on a mortgage note for no more than 270 days, if the waivers or extensions relate to more than 5% of the Mortgage Loans;
- o the right to direct the Indenture Trustee to terminate all of the rights and obligations of the Master Servicer under the Sale and Servicing Agreement relating to the issuing entity and the assets of the issuing entity following the occurrence of a Master Servicer Default under the Sale and Servicing Agreement;

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- o the right to approve or reject the appointment of any successor servicer other than the Indenture Trustee, if the Master Servicer is required to be replaced and the Indenture Trustee is unwilling or unable to act as successor servicer;
- o the right to consent to any amendment to the Sale and Servicing Agreement; and
- o each of the rights under "Risk Factors--Rights of the NIM Insurer" in this prospectus supplement.

You should note the rights that the NIM Insurer would have and carefully evaluate its potential impact on your investment. ]

#### YIELD, PREPAYMENT AND MATURITY CONSIDERATIONS

##### General

The weighted average life of, and the yield to maturity on, each class of Offered Notes generally will be directly related to the rate of payment of principal (including prepayments) of the Mortgage Loans in the related Loan Group or Loan Groups. The actual rate of principal prepayments on the mortgage loans is influenced by a variety of economic, tax, geographic, demographic, social, legal and other factors and has fluctuated considerably in recent years. In addition, the rate of principal prepayments may differ among pools of mortgage loans at any time because of specific factors relating to the mortgage loans in the particular pool, including, among other things, the age of the mortgage loans, the geographic locations of the properties securing the loans, the extent of the mortgagor's equity in the properties, and changes in the mortgagors' housing needs, job transfers and employment status. Furthermore, as described under "The Mortgage Pool -- Assignment of the Mortgage Loans" with respect to up to 50% of the Initial Mortgage Loans in each loan group and 90% of the Subsequent Mortgage Loans in each loan group (the "Delay Delivery Mortgage Loans"), the Depositor may deliver the related Mortgage Files after the Closing Date. Should a Seller fail to deliver to the Depositor or other designee of the Depositor all or a portion of the Mortgage Files relating to Mortgage Loans sold by it, or, at the Depositor's direction, to the Indenture Trustee within the time periods described under "The Mortgage Pool -- Assignment of the Mortgage Loans" [Countrywide Home Loans] will be required to use its best efforts to deliver a Substitute Mortgage Loan for the related Delay Delivery Mortgage Loan or repurchase the related Delay Delivery Mortgage Loan. Any repurchases pursuant to this provision would also have the effect of accelerating the rate of prepayments on the Mortgage Loans. In addition, no less than approximately [ ]%, [ ]% and [ ]% of the Mortgage Loans in the Statistical Calculation Pool in respect of Loan Group [1], Loan Group [2] and Loan Group [3], respectively, in each case by principal balance of the Mortgage Loans in the Statistical Calculation Pool in respect of the related Loan Group, require the payment of a prepayment charge in connection with certain prepayments, generally [no later than the first five years in the case of the Mortgage Loans in Loan Group [1] or two or three years in the case of the Mortgage Loans in Loan Group [2] and Loan Group [3]], in each case following origination of the related Mortgage Loan. [These charges, if enforced by the Master Servicer, may affect the rate of prepayments on the

Mortgage Loans.]

[In addition, no less than approximately [ ]%, [ ]% and [ ]% of the Mortgage Loans in the Statistical Calculation Pool in respect of Loan Group [1], Loan Group [2] and Loan Group [3], respectively, in each case by principal balance of the Mortgage Loans in the Statistical Calculation Pool in respect of the related Loan Group provide for only payments of interest and do not provide for any payments of principal for an extended period following their origination. These Mortgage Loans may involve a greater degree of risk because, if the related mortgagor defaults, the outstanding principal balance of the Mortgage Loans will be higher than for amortizing Mortgage Loans. During their interest only periods, these Mortgage Loans may be less likely to prepay as the interest only feature may reduce the perceived benefits of refinancing due to the smaller monthly payment. However, as an interest only mortgage loan approaches the end of its interest only period, it may be more likely to be prepaid, even if market interest rates at the time are only slightly higher or lower than the interest rate on the interest only mortgage loans as the related borrowers seek to avoid increases in their respective monthly mortgage payment.]

The timing of changes in the rate of prepayments may significantly affect the actual yield to investors who purchase the Offered Notes at prices other than par, even if the average rate of principal prepayments is consistent

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with the expectations of investors. In general, the earlier the payment of principal of the Mortgage Loans the greater the effect on an investor's yield to maturity. As a result, the effect on an investor's yield of principal prepayments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the Offered Notes may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments. Investors must make their own decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase any of the Offered Notes. The Depositor does not make any representations or warranties as to the rate of prepayment or the factors to be considered in connection with these determinations.

[The [Class AF-6] Notes will not be entitled to distributions of principal until the Distribution Date in [ ] 200[ ] (except as otherwise described in this prospectus supplement). Thereafter, the relative entitlement of the [Class AF-6] Notes to payments in respect of principal is subject to increase in accordance with the calculation of the NAS Principal Distribution Amount. See "Description of the Notes -- Distributions" in this prospectus supplement.]

#### Prepayments and Yields for the Offered Notes

The extent to which the yield to maturity of the Offered Notes may vary from the anticipated yield will depend upon the degree to which it is purchased at a discount or premium and, correspondingly, the degree to which the timing of payments thereon is sensitive to prepayments, liquidations and purchases of the Mortgage Loans in the related Loan Group or Loan Groups. In particular, in the case of an Offered Note purchased at a discount, an investor should consider the risk that a slower than anticipated rate of principal payments, liquidations and purchases of the applicable Mortgage

Loans could result in an actual yield to the investor that is lower than the anticipated yield and, in the case of an Offered Note purchased at a premium, the risk that a faster than anticipated rate of principal payments, liquidations and purchases of the Mortgage Loans could result in an actual yield to the investor that is lower than the anticipated yield.

[In general with respect to fixed rate mortgage loans, if prevailing interest rates fall significantly below the interest rates on fixed rate mortgage loans, these mortgage loans are likely to be subject to higher prepayment rates than if prevailing rates remain at or above the interest rates on these mortgage loans. Conversely, if prevailing interest rates rise appreciably above the interest rates on fixed rate mortgage loans, the fixed rate mortgage loans are likely to experience a lower prepayment rate than if prevailing rates remain at or below the interest rates on these mortgage loans. In the event that Mortgage Loans in Loan Group [1] with higher Mortgage Rates prepay at rates higher than other Mortgage Loans in Loan Group [1], the applicable Net Rate Cap may be lower than otherwise would be the case. As a result, the interest payable on the related Offered Notes on a Distribution Date could be reduced because of the imposition of the applicable Net Rate Cap. We cannot give any assurance as to the level of prepayment that the Mortgage Loans in Loan Group [1] will experience.]

[As is the case with fixed rate mortgage loans, adjustable rate mortgage loans may be subject to a greater rate of principal prepayments in a declining interest rate environment. For example, if prevailing interest rates fall significantly, adjustable rate mortgage loans could be subject to higher prepayment rates than if prevailing interest rates remain constant because the availability of fixed rate mortgage loans at lower interest rates may encourage mortgagors to refinance their adjustable rate mortgage loans to a lower fixed interest rate. Prepayments on the Hybrid Mortgage Loans may differ as they approach their respective initial Adjustment Dates and prepayments on Mortgage Loans with interest-only terms may differ as they approach the ends of their interest-only periods. We can give no assurance as to the level of prepayment that the Adjustable Rate Mortgage Loans will experience.]

[Although the Mortgage Rates on the Adjustable Rate Mortgage Loans are subject to adjustment, the Mortgage Rates adjust less frequently than the Interest Rates on the [Class AV] Notes and the [Adjustable Rate Subordinate Notes] and adjust by reference to the Mortgage Index. Changes in [One-Month LIBOR] may not correlate with changes in the Mortgage Index and also may not correlate with prevailing interest rates. It is possible that an increased level of [One-Month LIBOR] could occur simultaneously with a lower level of prevailing interest rates which would be expected to result in faster prepayments, thereby reducing the weighted average lives of the related Notes. The Mortgage Rate applicable to all or substantially all of the Adjustable Rate Mortgage Loans and any Adjustment Date will be based on the Mortgage Index value most recently announced generally as of a date [45 days prior to the Adjustment Date]. Thus, if the Mortgage Index value with respect to an Adjustable Rate Mortgage Loan rises, the lag in time before the corresponding Mortgage Rate increases will, all other things being equal, slow

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the upward adjustment of the applicable Net Rate Cap. In addition, it is expected that a substantial portion of the Adjustable Rate Mortgage Loans will have Mortgage Rates which will not adjust for a substantial period of time after origination. See "The Mortgage Pool" in this prospectus supplement.]

[The portion of any proceeds of the Corridor Contracts that will be payable to the issuing entity under the Corridor Contract Administration Agreement are intended to provide the [Class AF-1A], [Class 2-AV], [Class 3-AV] and the [Adjustable Rate Subordinate Notes] some protection against any Net Rate Carryover. However, payments that will be allocated to the issuing entity in respect of each Corridor Contract will be allocated based on the lesser of their respective Corridor Contract Notional Balances and the aggregate Note Principal Balance of the related class(es) of Notes, and not on the actual Stated Principal Balances of the Mortgage Loans. Therefore, the Corridor Contracts may not provide sufficient funds to cover any Net Rate Carryover. In addition, payments under the Corridor Contracts are limited to a corridor of specified rates, which is substantially higher than the rate of [One-Month LIBOR] as of the date of this prospectus supplement and are only available to the Notes to the extent described under "Description of the Notes -- The Corridor Contracts" above.]

[Although amounts allocated to the issuing entity in respect of the Corridor Contracts will be available to pay Net Rate Carryover on the related Notes to the extent described under "Description of the Notes -- Distributions -- Distributions of Funds from the Corridor Contracts" above, on or prior to their respective Corridor Contract Termination Dates, we cannot assure you that funds will be available or sufficient to pay these amounts. The ratings assigned to the Offered Notes do not address the likelihood of the payment of Net Rate Carryover.]

The effective yield to the holders of the [Fixed Rate Notes] will be lower than the yield otherwise produced by the applicable rate at which interest is passed through to these holders and the purchase price of the Notes because monthly distributions will not be payable to the holders until the [ th] day (or, if the [ th] day is not a Business Day, the following Business Day) of the month following the month in which interest accrues on the related Mortgage Loans (without any additional distribution of interest or earnings thereon in respect of the delay).

#### Maturity Date

The "Maturity Date" for the Notes has been determined to be the Distribution Date in [ ] 20[ ] which is the Distribution Date occurring [ ] months following the final payment on the Mortgage Loans assuming that, among other things,

- o no prepayments are received on the Mortgage Loans and
- o scheduled monthly payments of principal of and interest on each of the Mortgage Loans are timely received.

The actual final Distribution Date with respect to each class of these Notes could occur significantly earlier than the Maturity Date because:

- o prepayments are likely to occur which will be applied to the payment of the Note Principal Balances thereof, and
- o the [Master Servicer] may purchase all the Mortgage Loans in the issuing entity when the aggregate Stated Principal Balance of the Mortgage Loans and REO Properties in the issuing entity is less than or equal to [ ]% of the sum of [the Initial Cut-off Date Pool Principal Balance and the original Pre-Funded Amount].

#### Prepayment Model

Prepayments on mortgage loans are commonly measured relative to a prepayment model or standard. The prepayment models used in this prospectus supplement ("Prepayment Models") are based on an assumed rate of prepayment each month of the then unpaid principal balance of a pool of mortgage loans similar to the Mortgage Loans in each Loan Group. [For the Fixed Rate Mortgage Loans, the Prepayment Model used in this prospectus supplement (the "Fixed Rate Prepayment Vector" or "FRPV") is a prepayment assumption which represents an

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assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans for the life of the mortgage loans. For example, a 100% FRPV assumes a constant prepayment rate ("CPR") of 2.0% per annum of the then outstanding principal balance of the Fixed Rate Mortgage Loans in the first month of the life of the Mortgage Loans and an additional 2.0% per annum (i.e., 1/10 of the final per annum rate) in each month thereafter up to and including the tenth month. Beginning in the eleventh month and in each month thereafter during the life of the Fixed Rate Mortgage Loans, a 100% FRPV assumes a CPR of 20% per annum.]

[For the Adjustable Rate Mortgage Loans, the Prepayment Model used in this prospectus supplement ("Adjustable Rate Prepayment Vector" or "ARPV") represents an assumed rate of prepayment each month relative to the then outstanding principal balance of a pool of mortgage loans for the life of the mortgage loans. For the Adjustable Rate Mortgage Loans with original months to reset terms less than or equal to 30 months as of the Initial Cut-off Date, 100% ARPV assumes 6% CPR in month 1, an additional 1/11th of 26% CPR for each month thereafter, increasing to 32% CPR in month 12 and remaining constant at 32% CPR until month 24, increasing to and remaining constant at 60% CPR from month 25 until month 28 decreasing 1/12th of 28% CPR for each month thereafter, decreasing to 32% CPR in month 40 and remaining constant at 32% CPR from month 41 and thereafter; provided, however, the prepayment rate will not exceed 85% CPR in any period for any given percentage of ARPV. For the Adjustable Rate Mortgage Loans with original months to reset terms greater than 30 months as of the Initial Cut-off Date, 100% ARPV assumes 6% CPR in month 1, an additional 1/11th of 26% CPR for each month thereafter, increasing to 32% CPR in month 12 and remaining constant at 32% CPR until month 36, increasing to and remaining constant at 60% CPR from month 37 until month 40, decreasing 1/12th of 28% CPR for each month thereafter, decreasing to 32% CPR in month 52 and remaining constant at 32% CPR from month 53 and thereafter; provided, however, the prepayment rate will not exceed 85% CPR in any period for any given percentage of ARPV. As used in the tables, 100% of the Prepayment Model means 100% FRPV and 100% ARPV, as applicable.]

We cannot assure you, however, that prepayments on the Mortgage Loans will conform to any level of the Prepayment Model, and no representation is made that the Mortgage Loans will prepay at the prepayment rates shown or any other prepayment rate. The rate of principal payments on mortgage loans is influenced by a variety of economic, geographic, social and other factors, including the level of interest rates. Other factors affecting prepayment of mortgage loans include changes in obligors' housing needs, job transfers and unemployment. In the case of mortgage loans in general, if prevailing interest rates fall significantly below the interest rates on the mortgage loans, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing interest rates remain at or above the rates borne by the mortgage loans. Conversely, if prevailing interest rates rise above the interest on the

mortgage loans, the rate of prepayment would be expected to decrease.

#### Decrement Tables; Weighted Average Lives

The tables below set forth the percentages of the initial Note Principal Balance of each class of Offered Notes outstanding at the respective percentages of the Prepayment Model that will be outstanding as of the twelfth Distribution Date and every twelfth Distribution Date thereafter. Those percentages have been rounded to the nearest whole percentages, [and an asterisk (\*) indicates a percentage less than 0.5% and greater than 0%]. In addition, the tables below set forth the weighted average lives of each class of Offered Notes to maturity and to optional termination at the respective percentages of the Prepayment Model. Each weighted average life of any Note presented below is determined by (a) multiplying the amount of each principal payment by the number of years from the date of issuance to the related Distribution Date, (b) adding the results, and (c) dividing the sum by the initial respective Note Principal Balance for the class of Notes.

The following tables have been prepared on the basis of the following assumptions (collectively, the "Modeling Assumptions"):

(1) the Mortgage Loans prepay at the indicated percentage of the related Prepayment Model,

(2) distributions on the Notes are received, in cash, on the [ th] day of each month, commencing in [ ] 200[ ], in accordance with the payment priorities defined in this prospectus supplement,

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(3) no defaults or delinquencies in, or modifications, waivers or amendments respecting, the payment by the mortgagors of principal and interest on the Mortgage Loans occur,

(4) Scheduled Payments are assumed to be received on the first day of each month commencing in [ ] 200[ ], and prepayments represent payment in full of individual Mortgage Loans and are assumed to be received on the last day of each month, commencing in [ ] 200[ ], and include 30 days' interest thereon,

(5) [the level of the Mortgage Index remains constant at [ ]% per annum, and the level of [One-Month LIBOR] remains constant at [ ]% per annum,]

(6) the Interest Margins or fixed rates for the Offered Notes remain constant at the rates applicable on or prior to the Optional Termination Date and the Interest Margins or fixed rates for the Offered Notes are adjusted accordingly on any Distribution Date after the Optional Termination Date,

(7) the Notes are issued on [ ] 200[ ],

(8) [the Mortgage Rate for each Adjustable Rate Mortgage Loan is adjusted on its next Adjustment Date (and on subsequent Adjustment Dates, if necessary) to equal the sum of

(a) the assumed level of the Mortgage Index, and

(b) the respective Gross Margin (which sum is subject to the applicable periodic adjustment caps and floors and the applicable lifetime adjustment caps and floors),]

(9) except as indicated with respect to the weighted average lives to maturity, the optional termination is exercised on the Optional Termination Date,

(10) the scheduled monthly payment for each Mortgage Loan, [except for the interest-only Mortgage Loans during their respective interest-only periods,] is calculated based on its principal balance, mortgage rate and remaining amortization term to maturity so that each Mortgage Loan will amortize in amounts sufficient to repay the remaining principal balance of the Mortgage Loan by its remaining term to maturity (except in the case of balloon loans), as indicated in the table below,

(11) [any Mortgage Loan with a remaining interest-only term greater than zero does not amortize during the remaining interest-only term, and at the end of the remaining interest-only term, will amortize in amounts sufficient to repay the current balance of any Mortgage Loan over the remaining term to maturity calculated at the expiration of the remaining interest-only term based on the applicable amortization method,]

(12) [scheduled monthly payments on each Adjustable Rate Mortgage Loan will be adjusted in the month immediately following each related interest adjustment date (as necessary) for the Mortgage Loan to equal the fully amortizing payment described above,]

(13) [the scheduled amortization for all Mortgage Loans is based upon their respective gross interest rates and the interest rate on each Fixed Rate Credit Comeback Loan will be deemed to be reduced by [ ]% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history],

(14) all of the Pre-Funded Amount, if any, is used to purchase Subsequent Mortgage Loans for inclusion on the Closing Date, and

(15) each Loan Group consists of Mortgage Loans having the approximate characteristics described below:

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Loan Group [1] Mortgage Loans

| <S>         | <C>          | <C>          | <C>          | <C>       | <C>    |
|-------------|--------------|--------------|--------------|-----------|--------|
|             | Adjusted     | Gross        | Remaining    | Remaining | Origin |
|             | Net Mortgage | Mortgage     | Amortization | Term to   | Intere |
| Principal   | Rate (%) (1) | Rate (%) (2) | Term         | Maturity  | Only T |
| Balance(\$) |              |              | (months)     | (months)  | (month |

</TABLE>

- (1) [In the above table, the Adjusted Net Mortgage Rate percentages that include Fixed Rate Credit Comeback Loans have been calculated without subtracting any Credit Comeback Excess Amounts. However, for purposes of actual payments to be made on the Notes, including the calculation of each applicable Net Rate Cap as well as other Mortgage Rate calculations, the Gross Mortgage Rate for each Fixed Rate Credit Comeback Loan will be deemed to be reduced by [ ]% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history.]
- (2) [In the above table, the Gross Mortgage Rate percentages that include Fixed Rate Credit Comeback Loans have been calculated without subtracting any Credit Comeback Excess Amounts. However, for purposes of actual payments to be made on the Notes, including the calculation of each applicable Net Rate Cap as well as other Mortgage Rate calculations, the Gross Mortgage Rate for each Fixed Rate Credit Comeback Loan will be deemed to be reduced by [ ]% on the Due Date following the end of each of the first four annual periods after the origination date, irrespective of whether the borrower qualifies for the reduction by having a good payment history.]

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| Loan Group [2] Mortgage Loans |          |          |               |           |           |    |
|-------------------------------|----------|----------|---------------|-----------|-----------|----|
| <S>                           | <C>      | <C>      | <C>           | <C>       | <C>       | <  |
| Principal Balance             | Adjusted | Gross    | Remaining     | Remaining | Original  |    |
| (\$)                          | Net      | Mortgage | Amortization  | Term to   | Interest- |    |
|                               | Mortgage | Rate (%) | Term (months) | Maturity  | Only Term |    |
|                               | Rate (%) |          |               | (months)  | (months)  | (m |

<CAPTION>

| <S>               | <C>          | <C>        | <C>        | <C>       |
|-------------------|--------------|------------|------------|-----------|
| Principal Balance |              | Life Floor | Months to  | Reset     |
| (\$)              | Life Cap (%) | (%)        | Next Rate  | Frequency |
|                   |              |            | Adjustment | (months)  |

</TABLE>

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Loan Group [3] Mortgage Loans

| <S>                       | <C><br>Adjusted<br>Net<br>Mortgage<br>Rate (%) | <C><br>Gross<br>Mortgage<br>Rate (%) | <C><br>Remaining<br>Amortization<br>Term (months) | <C><br>Remaining<br>Term to<br>Maturity<br>(months) | <C><br>Original<br>Interest-<br>Only Term<br>(months) | <    |
|---------------------------|--|--------------------------------------|---|---|---|------|
| Principal Balance<br>(\$) |  |                                      |   |   |   | (m)  |
| -----                     | -----  | -----                                | -----   | -----   | -----   | ---- |

<CAPTION>

| <S>                       | <C><br>Life Cap (%) | <C><br>Life Floor<br>(%) | <C><br>Months to<br>Next Rate<br>Adjustment | <C><br>Reset<br>Frequency<br>(months) |
|---------------------------|---------------------|--------------------------|---|---------------------------------------|
| Principal Balance<br>(\$) |                     |                          |   |                                       |
| -----                     | -----               | -----                    | -----                                       | -----                                 |

</TABLE>

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Percentages of the Initial Certificate Principal Balances of the Offered  
Certificates at the Respective Percentages of the Prepayment Model

<TABLE>  
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|   | [Class AF-1A] and [Class AF-1B] |       |       |       |       |       |
|---|---------------------------------|-------|-------|-------|-------|-------|
| Distribution Date   | [ ]%                            | [ ]%  | [ ]%  | [ ]%  | [ ]%  | [ ]%  |
| -----   | -----                           | ----- | ----- | ----- | ----- | ----- |
| <S>   | <C>                             | <C>   | <C>   | <C>   | <C>   | <C>   |
| Initial Percentage.....   | 100%                            | 100%  | 100%  | 100%  | 100%  | 100%  |
| [ ] [ ], 20[ ].....   |                                 |       |       |       |       |       |
| [ ] [ ], 20[ ].....   |                                 |       |       |       |       |       |
| [ ] [ ], 20[ ].....   |                                 |       |       |       |       |       |
| [ ] [ ], 20[ ].....   |                                 |       |       |       |       |       |
| [ ] [ ], 20[ ].....   |                                 |       |       |       |       |       |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |                                 |       |       |       |       |       |

Weighted Average Life to  
Maturity (in years).....  
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| [Class AF-3]            |      |      |      |      |      |      |
|-------------------------|------|------|------|------|------|------|
| Distribution Date       | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% |
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| Initial Percentage..... | 100% | 100% | 100% | 100% | 100% | 100% |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |

Weighted Average Life to  
Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
</TABLE>

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| [Class AF-5A] and [Class AF-5B] |      |      |      |      |      |      |
|---------------------------------|------|------|------|------|------|------|
| Distribution Date               | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% |
| <S>                             | <C>  | <C>  | <C>  | <C>  | <C>  | <C>  |
| Initial Percentage.....         | 100% | 100% | 100% | 100% | 100% | 100% |
| [ ] [ ], 20[ ].....             |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....             |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....             |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....             |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....             |      |      |      |      |      |      |

Weighted Average Life to  
Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
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| [Class MF-1] |  |  |  |  |  |  |
|--------------|--|--|--|--|--|--|
|              |  |  |  |  |  |  |

| Distribution Date   | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% |
|---|------|------|------|------|------|------|
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| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |      |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |      |      |      |      |      |      |

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|   | [Class MF-3] |      |      |      |      |      |
|---|--------------|------|------|------|------|------|
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| [ ] [ ], 20[ ].....   |              |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |              |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |              |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |              |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |              |      |      |      |      |      |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |              |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |              |      |      |      |      |      |

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|                         | [Class MF-5] |      |      |      |      |      |
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| [ ] [ ], 20[ ].....     |              |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |              |      |      |      |      |      |

Weighted Average Life to

Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
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| [Class MF-7]            |      |      |      |      |      |      |
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| Initial Percentage..... | 100% | 100% | 100% | 100% | 100% | 100% |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
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| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |

Weighted Average Life to  
Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
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| [Class BF]              |      |      |      |      |      | [C1  |
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| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |
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| [ ] [ ], 20[ ].....     |      |      |      |      |      |      |

Weighted Average Life to  
Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
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| [Class 3-AV-1]  |      |      |      |      |      |      |
|---|------|------|------|------|------|------|
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| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |      |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |      |      |      |      |      |      |
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| Initial Percentage.....   | 100% | 100% | 100% | 100% | 100% | 100% |
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| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |      |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |      |      |      |      |      |      |
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| Initial Percentage.....  | 100% | 100% | 100% | 100% | 100% | 100% |
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| [ ] [ ], 20[ ].....      |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....      |      |      |      |      |      |      |
| Weighted Average Life to |      |      |      |      |      |      |

Optional Termination (in  
years).....  
Weighted Average Life to  
Maturity (in years).....  
</TABLE>

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| [Class MV-3]  |      |      |      |      |      |      |
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| Initial Percentage.....   | 100% | 100% | 100% | 100% | 100% | 100% |
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| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| [ ] [ ], 20[ ].....   |      |      |      |      |      |      |
| Weighted Average Life to<br>Optional Termination (in<br>years)..... |      |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |      |      |      |      |      |      |

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| [Class MV-5]  |      |      |      |      |      |      |
|---|------|------|------|------|------|------|
| Distribution Date   | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% | [ ]% |
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| Initial Percentage.....   | 100% | 100% | 100% | 100% | 100% | 100% |
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| Weighted Average Life to<br>Optional Termination (in<br>years)..... |      |      |      |      |      |      |
| Weighted Average Life to<br>Maturity (in years).....                |      |      |      |      |      |      |

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#### LEGAL PROCEEDINGS

There are no legal proceedings against [Countrywide Home Loans], the Depositor, the Indenture Trustee, the issuing entity or the Master Servicer, or to which any of their respective properties are subject, that is material to the noteholders, nor is the Depositor aware of any proceedings of this type contemplated by governmental authorities.

#### MATERIAL FEDERAL INCOME TAX CONSEQUENCES

##### General

The following discussion, which summarizes the material U.S. federal income tax aspects of the purchase, ownership and disposition of the Notes, is based on the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations thereunder, and published rulings and court decisions in effect as of the date hereof, all of which are subject to change, possibly retroactively. This discussion does not address every aspect of the U.S. federal income tax laws which may be relevant to beneficial owners of the Notes in light of their personal circumstances or to certain types of beneficial owners of the Notes subject to special treatment under the U.S. federal income tax laws (for example, banks and life insurance companies). Investors are encouraged to consult their tax advisors regarding the U.S. federal, state, local, foreign, and any other tax consequences to them of investing in the Notes.

##### Characterization of the Notes as Indebtedness

In the opinion of [Sidley Austin LLP] [Thacher Proffitt & Wood LLP], special tax counsel to the depositor ("Tax Counsel"), the Notes will be treated as debt to a noteholder other than the owner of the Owner Trust Certificate for U.S. federal income tax purposes. This opinion is based on the application of current law to the facts as established by the Indenture and other relevant documents and assumes compliance with the Indenture as in effect on the date the Notes are issued.

Although the non-tax treatment of the transaction will differ from the tax treatment, this will not cause the Notes to be treated as other than indebtedness for federal income tax purposes. Under the Indenture, the issuing entity and the noteholders, by accepting the Notes, and each Note owner by acquiring a beneficial interest in a Note, agree to treat the Notes as indebtedness secured by the mortgage loans for U.S. federal income tax purposes. Different criteria are used to determine the non-tax accounting characterization of the transaction, however.

In general, for U.S. federal income tax purposes, whether a transaction constitutes a sale of property or a loan, the repayment of which is secured by property, is a question of fact, the resolution of which is based upon the economic substance of the transaction rather than its form or label. Although the Internal Revenue Service ("IRS") and the courts have set forth several factors to be taken into account in determining whether the substance of a transaction is a sale of property or a secured loan, the primary factor in making this determination is whether the transferee has assumed the risk of loss or other economic burdens relating to the property and has obtained the benefits of ownership thereof. Tax Counsel has analyzed and relied on several factors in reaching its opinion that the weight of the benefits and burdens of ownership of the mortgage loans has not been transferred to the beneficial owners of the Notes.

In some instances, courts have held that a taxpayer is bound by the particular form it has chosen for a transaction, even if the substance of the transaction does not accord with its form. Tax Counsel has advised that the rationale of those cases will not apply to this transaction, because the form of the transaction as reflected in the operative provisions of the documents either accords with the characterization of the Notes as debt or otherwise makes the rationale of those cases inapplicable to this situation.

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#### Classification of the Issuing Entity as a Partnership or a Corporation

Tax Counsel is of the opinion that neither the issuing entity nor any portion of the issuing entity will be treated as a corporation or publicly traded partnership taxable as a corporation. See "Material Federal Income Tax Consequences" in the prospectus. The opinion of Tax Counsel, however, is not binding on the courts or the IRS. It is possible the IRS could assert that, for purposes of the Code, the transaction contemplated by this prospectus supplement and the accompanying prospectus with respect to the Notes constitutes a sale of the mortgage loans to the issuing entity and a sale of interests in the issuing entity to the investors (that is, the IRS could assert that the transaction is actually a sale to the investors of beneficial ownership in the underlying mortgage loans). Similarly, the IRS could assert that the issuing entity is properly treated as a corporation or partnership and that the investors are properly treated as stockholders or partners.

If it were determined that this transaction created an entity classified as a corporation (including a publicly traded partnership taxable as a corporation), the issuing entity would be subject to U.S. federal corporate income tax on the income it derives from the mortgage loans, which would reduce the amounts available for payment to the beneficial owners of the Notes. Cash payments to the beneficial owners of the Notes generally would be treated as dividends for tax purposes to the extent of such corporation's earnings and profits.

If the issuing entity were to be treated as a partnership between the beneficial owners of the Notes and the holder of the Owner Trust Certificate, the partnership itself would not be subject to U.S. federal income tax (unless it was characterized as a publicly traded partnership taxable as a corporation); rather, the owner of the Owner Trust Certificate and each investor would be taxed individually on their respective distributive shares of the partnership's income, gain, loss, deductions, and credits. In addition, as a partner, the amount and timing of the investor's items of income and deductions could differ from the amount and timing of the investor's items of income and deduction as a debt holder.

#### Possible Classification of the Issuing Entity as a Taxable Mortgage Pool

Section 7701(i) of the Code provides that any entity (or a portion of an entity) that is a "taxable mortgage pool" will be classified as a taxable corporation and will not be permitted to file a consolidated U.S. federal income tax return with another corporation. Any entity (or a portion of any entity) will be a taxable mortgage pool if (i) substantially all of its assets consist of debt instruments, more than 50% of which are real estate mortgages, (ii) the entity is the obligor under debt obligations with two or more maturities, and (iii) under the entity's debt obligations (or an underlying

arrangement), payments on the debt obligations bear a relationship to the debt instruments held by the entity.

Assuming that all of the provisions of the Sale and Servicing Agreement and the Trust Agreement, as in effect on the date of issuance, are complied with, Tax Counsel is of the opinion that neither the issuing entity nor any portion of the issuing entity will be a taxable mortgage pool under Section 7701(i) of the Code. The opinion of Tax Counsel, however, is not binding on the IRS or the courts. If the IRS were to contend successfully that the arrangement created by the Sale and Servicing Agreement and the Trust Agreement is a taxable mortgage pool, the arrangement would be subject to U.S. federal corporate income tax on its taxable income generated by ownership of the mortgage loans. That tax would reduce amounts available for payments to beneficial owners of the Notes. The amount of the tax would depend upon whether payments to beneficial owners of the Notes would be deductible as interest expense in computing the taxable income of such an arrangement as a taxable mortgage pool.

#### Taxation of Interest Income of Beneficial Owners of Notes

Assuming that the interest is "unconditionally payable," the interest on the Notes will be taxable as ordinary income and includible in the income of the beneficial owners of the Notes in accordance with their usual methods of accounting. See "Material Federal Income Tax Consequences" in the prospectus. Although it is not anticipated that the Notes will be issued at a greater than de minimis discount, under certain Treasury regulations (the "OID Regulations") it is possible that the Notes could nevertheless be deemed to have been issued with original issue discount ("OID") if the interest on the Notes were not treated as "unconditionally payable." In that case, all of the taxable income to be recognized with respect to the Notes would be OID and includible in the income of the beneficial owners of the Notes as it accrued regardless of the beneficial owner's normal accounting method. Thus,

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the beneficial owner would be taxable on such income before actually receiving it. Such OID, however, would not be includible again when the interest was actually received. See "Material Federal Income Tax Consequences--Taxation of Debt Securities; Interest and Acquisition Discount" in the prospectus for a discussion of the application of the OID rules if the Notes are in fact issued at a greater than de minimis discount or are treated as having been issued with OID under the OID Regulations. If the Notes were treated as being issued with OID, then for purposes of calculating the amount of OID accruing in each accrual period, it is likely that the Notes would be treated as Pay-Through Securities.

#### Foreign Investors

In general, subject to certain exceptions, interest (including OID) paid (or accrued) to a noteholder who is a non-U.S. Person will be considered "portfolio interest" and generally will not be subject to United States federal income tax and withholding tax, provided, that (i) the interest is not effectively connected with the conduct of a trade or business within the United States by the non-U.S. Person, and (ii) the non-U.S. Person provides the issuing entity or other person who is otherwise required to withhold U.S. tax with respect to the Note with an appropriate statement (on IRS Form W-8BEN or other similar form), signed under penalties of perjury, certifying that the